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**Extraordinary
Policy Finance and
Development
Committee**

22 JANUARY 2014

Matter for Decision

Title: **LEISURE MANAGEMENT CONTRACT**

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1. Introduction

Following on from the report to this committee on 29 October 2013 the final evaluation of the tender exercise for the procurement of a new leisure management contract has been completed. The Appendix to this report summarises the process undertaken and the outcome of the evaluation of the submissions of the two bidders (referred to within the Appendix as Bidder X and Bidder Y) who responded to the Invitation to Submit Final Tender (ISFT). This report recommends that Members appoint a Preferred Bidder and a Reserve Bidder based on the scores and evaluations as set out in the Appendix.

2. Recommendations

That Members

- 1) Note the competitive procurement approach taken and the outcome of that process
- 2) Endorse the recommendations set out in paragraph 3.13 of the appendix to this report that Bidder Y be appointed as the Council's Preferred Bidder with Bidder X appointed as the Reserve Bidder in the event that the contract with Bidder Y cannot be finalised.
- 3) Delegate to the Director of Services in conjuncture with the Chief Executive and the Chief Finance Officer and in consultation with the Chair of the Policy, Finance and Development Committee together with the Leader of the Council the oversight of the delivery of the project.

3. Background

- 3.1 Members are aware from the regular member workshops and committee reports since July 2012 of the procurement exercise to further develop and enhance leisure facilities in the Borough through the award of a new Leisure Management Contract. This has been led by the Council's appointed leisure consultant Robin Thompson of RPT Consulting working closely with a project team of Council Officers.
- 3.2 Since the invite for Expressions of Interest was advertised in December 2012 a robust procurement exercise has been undertaken in accordance with European Union regulations and in accordance with best procurement practice which has secured high quality exciting bids from established market leaders. Under the new contract there will be two new-build, state of the art, 25 metre, 6 lane swimming pools, one at Parklands Leisure Centre and the other at Wigston swimming pool

together with the existing leisure facilities at Parklands being significantly refurbished and improved to deliver an improved healthy agenda for the residents of the Borough and to attract many other customers. The existing accessible pricing structure will be retained at a considerable reduced cost to the Council of nearly £200,000.00 per annum.

3.3 The Appendix to this report sets out in more detail the process and evaluation of the two final tender bids. If members agree to the recommendations as set out above, both bidders will be notified of the intended decision which triggers a mandatory “standstill” period of ten calendar days to allow for any challenge to the decision. Once the standstill period has expired and no issues have arisen, then the Preferred Bidder letter can be issued as set out in Table 5 of the Appendix.

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Background Papers:-

Reports of 23 July 2013 and 29 October 2013 to Policy Finance and Development committee

Implications	
Financial (PL)	The preferred bidders cost would save the General Fund £3.6m over the 20 year life of the contract excluding the effects of annual indexation. The level of borrowing required from the preferred bid would be within the Council's current prudential borrowing boundaries.
Risk (AC)	CR2 Key Supplier/Partnership failure; CR5 effective utilisation of assets
Equalities (AC)	The Council's facilities are accessible to all
Legal (AC)	A breach of EU procurement rules can lead to a damages award against the council