

CABINET REPORT – MARCH 2015

**Appointment of Consultants to Support for Leisure
Facilities Contract Procurement**

Report of the Community and Leisure Portfolio Holder

Recommended that:

- 1. Following a full market testing exercise, RPT Consulting Limited be appointed to support with the procurement process for the next Leisure Centre Management Contract.**
- 2. The sum of £XX,XXX be allocated from Special Projects Reserve to fund this work.**
- 3. A further report(s) will be presented to Cabinet to report on the outcome from this work and potentially to seek Authority to proceed, as and when necessary.**

SUMMARY:

- A scoping report for this consultancy work was reported to Cabinet on 01 October 2014 – minute 144 refers. In this report it was proposed that the outcome from the tendering exercise would be a report to March 2015 Cabinet for Authority to appoint consultants and to proceed with the project.
- Following this report in October, a market testing exercise was scoped and undertaken, the outcome of which is presented in this report, ultimately seeking Authority to appoint RPT Consulting Limited to support TVBC throughout the process of scoping, procuring, evaluating and awarding the next Leisure Centre Management Contract for TVBC.

1 Introduction

- 1.1 The VL contract runs to March 2017, and whilst this is some way off, timely decisions need to be made regarding future demands on these facilities, the needs of the community and service development beyond 2017, what we may wish to procure in line with corporate priorities and the approach taken to said procurement process.
- 1.2 It is therefore essential that we set out a clear and unambiguous approach to this contract as early as possible. This will enable us generally, to prepare as fully as possible for this exercise.

- 1.3 As is the case with many local authorities and leisure facility operators currently, the need to continually invest in key flagship leisure centres is an ever present challenge. Whilst inward investment has continued throughout the contract term, it is recognised that potentially more major investment will be required in all of these facilities in the coming years.

2 Background

- 2.1 Following the approval from Cabinet in October (to seek to market test for suitably skilled and qualified consultants) a tender was published online (through the TVBC procurement portal) on 19th November 2014 and in a National Trade Journal (Leisure Opportunities) on 20th November 2014.
- 2.2 Five Companies submitted tender responses. From these tender submissions, 4 organisations met the Essential Evaluation Criteria to move to formal evaluation by the officer project team. (This team included a Corporate Director, 4 Heads of Service, procurement officer and project manager). From these 4 bids, 3 were invited in to present their proposals in detail. .
- 2.3 Details of these organisations can be found in confidential appendix 1 for organisations A, B, C and RPT Consulting Limited.
- 2.4 RPT Consulting have been informed of their successful bid and that they will be awarded the contract for consultancy support subject to Cabinet Authority (as per TVBC Contract Standing Orders).
- 2.5 It is anticipated for the procurement process to run for approximately 18 months. A detailed timeline and milestones for the project will be agreed in due course, including timing and scope of formal updates and reports as appropriate.

3 Corporate Objectives and Priorities

- 3.1 All of the Council's key leisure facilities currently operated by Valley Leisure (VL) under a management contract that runs to March 2017. The portfolio includes Andover Leisure Centre (ALC) Romsey Rapids (RR) Knightwood Leisure Centre (KLC) Charlton Lakeside Pavilion (CLP) and also now includes Romsey Sports Centre (RSC). One of the Council's key corporate projects is to realise ambition to develop existing facilities such as Andover Leisure Centre (CAP 012).
- 3.2 Ensuring our existing community facilities are fit for purpose forms part of our corporate plan aim of "*encouraging all of our communities to reach their full potential.*" To achieve this requires the Council to develop its approach to how capital investment for such projects can be secured. This is reliant on our agreeing our approach to the scope and procurement of this contract in the build up towards 2017.

4 Consultations/Communications

- 4.1 Early background feasibility work has included seeking independent professional market, procurement and legal advice and informal engagement with other Local Authorities that have recently been through similar experiences with their leisure centre contracts. This has highlighted the absolute need to market test the contract, aided with professional technical support, as a means of ensuring the best possible outcome for the Council and the local community from this contract.
- 4.2 Further Member and stakeholder consultation will be undertaken in due course and at the appropriate stages of the procurement process.

5 Options

- 5.1 In order to ensure a robust and transparent process which delivers the best possible outcomes from the contract for the long term benefit of the local community, it is proposed that consultative support is confirmed with RPT Consulting Limited. RPT Consulting Limited will work alongside officers in the development of the procurement process, scope and specification of the contract.

6 Option Appraisal

- 6.1 Consideration could be given to not seeking consultative support, and managing the process in-house. However, given the significant value of the contract, the complexity of the process and importance of getting this right, it is considered that the cost of consultative support is entirely justified and necessary.
- 6.2 For this reason it is considered that seeking consultative support is the only viable option to ensure the process is robust and the optimum contract position can be achieved.

7 Risk Management

- 7.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks or have previously been considered by Councillors (Cabinet 01 October 2014 – minute 144refers).

8 Resource Implications

- 8.1 The tender price submitted by RPT Consulting Limited is £XX,XXX. This sum is capped (based upon the tendered scope of the project) and inclusive of expenses.
- 8.2 As costs could not be accurately estimated in time for the setting of the 2014/15 budget, no allocation was made for the project. It is proposed therefore that the full sum is allocated from the Special Projects reserve.

9 Legal Implications

- 9.1 A standard contract for appointment of consultants will be prepared by Legal Services in accord with Contract Standing Orders.

10 Equality Issues

- 10.1 none

11 Other Issues

- 11.1 Sustainability and Addressing a Changing Climate – none at this stage.
- 11.2 Property Issues – none at this stage (updated Conditions / dilapidations surveys will be required)
- 11.3 Wards/Communities Affected – All across Test Valley

12 Conclusion and reasons for recommendation

- 12.1 In order to ensure benefits are maximised in developing the next leisure management contract, this consultative support will provide confidence and assistance with the development of the procurement process, specification, scope of contract and approach to evaluation of prospective bids and bidders for the next Leisure Centre management Contract.
- 12.2 Following a full market testing exercise, the contract for consultancy support has been awarded to RPT Consulting Limited (subject to Cabinet Authority).

Background Papers (Local Government Act 1972 Section 100D)

Confidentiality

It is considered that this report does contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, on the basis that it contains commercially sensitive data regarding consultancy rates.

This data has been extracted from the body of the report and is contained within a separate (Confidential) annex. Data cannot be attributed to any one company within this annex and is stated in terms of total bid cost for organisation A, B, C and RPT Consulting Limited.

No of Annexes:	Confidential- ONE	File Ref:	
(Portfolio: Community and Leisure) Councillor Ward			
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Report to:	Cabinet	Date:	March 2015