



Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>OVERVIEW AND SCRUTINY COMMITTEE – 1 FEBRUARY 2023</b>
Subject	<b>LEISURE AND CULTURE CONTRACTS PROCUREMENT UPDATE</b>
Wards affected	ALL
Accountable member	Cllr Jenny Forde Cabinet Member for Health & Wellbeing Email: <a href="mailto:jenny.forde@cotswold.gov.uk">jenny.forde@cotswold.gov.uk</a>
Accountable officer	Scott Williams Business Manager - Contracts Email: <a href="mailto:scott.williams@publicagroup.uk">scott.williams@publicagroup.uk</a>
Summary/Purpose	To provide the Overview and Scrutiny Committee with an update on the Leisure and Culture Contract Procurements.
Annexes	None
Recommendation(s)	That the Overview and Scrutiny Committee receives the update contained within this report.
Corporate priorities	These contract procurements support the following Council priorities: <ul style="list-style-type: none"><li>● Responding to the challenges presented by the climate crisis</li><li>● Delivering our services to the highest standards</li><li>● Helping residents and communities access the support they need for good health and wellbeing</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Cllr Jenny Forde Senior Officers – CDC/Publica



## **1. BACKGROUND**

- 1.1 In May 2022, the Council granted authority for the commencement of a procurement process for the appointment of Leisure and Culture Management Contractors, for the operation of the Council's Leisure and Culture facilities.
- 1.2 As part of the procurement exercise, a commitment was given to provide the Overview and Scrutiny Committee with key updates on the procurement process and timeline. The first of these updates was provided on 4th October 2022.
- 1.3 The procurements are following a competitive procedure with negotiation process, which commenced in September 2022, with the publication of the notice within the Official Journal of European Union (OJEU).
- 1.4 A Project Board oversees the project, which is made up of Cabinet Member, Senior Officers from the Council, Publica, South West Audit Partnership (SWAP), Trowers & Hamlins (legal) and Max Associates (leisure consultants).

## **2. PROJECT UPDATE**

- 2.1 Stage one of the procurement process comprised the Standard Selection Questionnaire (SSQ) designed as an initial assessment to identify and shortlist suitable potential candidates. Five leisure management contractors expressed an interest at SSQ in the leisure contract and two in the culture contract. Following assessment and compliance checks, all contractors were invited to submit initial tenders (ISIT).
- 2.2 The deadline for tender returns was 9<sup>th</sup> January 2023 and the Council received four bids for the leisure contract and two for the culture. The evaluation team made up of key specialist officers, Max Associates and Trowers and Hamlins, assessed and scored the commercial and quality method statements for each of the tenders.
- 2.3 The evaluation team then met to review, discuss and agree moderated scores for each of the bids.
- 2.4 The tables below set out the criteria and weightings used for the ISIT evaluation, which were established using the paired comparison exercise undertaken by the cross party work group.

*Leisure*



<b>Evaluation Criteria and Weightings</b>	<b>% weighting</b>
<b>Price / commercial</b>	
1 Management Fee	25%
2 Capital investment proposals	15%
3 Viability of business plan	5%
4 Acceptance of commercial terms and conditions	5%
	<b>50.00%</b>
<b>Quality</b>	
1 Delivering Strategic Objectives	20%
2 Social and economic benefits	10%
3 Environmental Management	10%
4 Research, intelligence, and product development	10%
	<b>50.00%</b>
	<b>100.00%</b>

### *Culture*

<b>Evaluation Criteria and Weightings</b>	<b>% weighting</b>
<b>Price / commercial</b>	
1 Subsidy Payment	25%
2 Commercialisation and ability to reduce subsidy	15%
3 Grant funding	5%
4 Acceptance of commercial terms and conditions	5%
	<b>50.00%</b>
<b>Quality</b>	
1 Delivering Strategic Objectives	10%
2 Commercial approach to developing services and assets	10%
3 Staff and volunteering	10%
4 Retail and catering	10%
5 Research, intelligence, and product development	10%
	<b>50.00%</b>
	<b>100.00%</b>

- 2.5 The Council is currently in a period of negotiation with bidders, whilst bidders respond to clarifications raised by the council during the ISIT evaluation and a series of scheduled negotiation meetings with each of the contractors is being completed.
- 2.6 Following closure of negotiation, a shortlist will be established, which is likely to include a minimum of three contractors for the leisure contract and two for the culture contract.
- 2.7 Successful bidders at ISIT will be invited to submit revised tenders (ISRT), which will comprise of marks up to their ISIT, these will be evaluated by relevant officers using the same evaluation criteria and weightings set out above. Once scored, the evaluation panel will meet again to complete a further moderation step.



- 2.8** Preferred bidder and the contract award report is planned for the March 2023 Cabinet and Council meetings for approval, with the new contract commencing on 1<sup>st</sup> August 2023, for both the leisure and culture contracts.

### **3. PROJECT PLAN**

- 3.1** The remaining procurement timeline for the Leisure and Culture contracts are shown below, including key Council meeting dates:
- 30<sup>th</sup> January – Final evaluation of ISIT
  - 8<sup>th</sup> February – Negotiation meeting with bidders
  - 10<sup>th</sup> February – Bidders invited to submit revised tenders
  - 17<sup>th</sup> February – Deadline for ISRT submission
  - 23<sup>rd</sup> February – Preferred bidder proposed.
  - 28<sup>th</sup> February – LMT
  - 1<sup>st</sup> March – Informal Cabinet
  - 13<sup>th</sup> March – Cabinet
  - 15<sup>th</sup> March – Council

### **4. RISKS**

- 4.1** The procurements for the Leisure and Culture contracts have an aggressive timescale and so recognising the importance of these two contracts to the Council, in addition to Max Associates being commissioned to provide project coordination, Trowers & Hamblins LLP, which are specialists in this area, have been commissioned to support the Councils legal team in the associated legal aspects of the procurement.

### **5. FINANCIAL IMPLICATIONS**

- 5.1** There are no financial implications arising directly from this report. Cabinet and Council will review the 2023/24 Budget and Medium-Term Financial Strategy at their meetings in February 20223 which will include consideration of the resources available to support the Leisure and Culture Contract.
- 5.2** As outlined in Section 3 of this report, the Council will approve the contract award(s) at the meeting on 15 March 2023.

### **6. LEGAL IMPLICATIONS**

- 6.1** There are no legal implications arising directly from this report.