

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE - 22 APRIL 2008

REPORT BY DIRECTOR OF CUSTOMER AND COMMUNITY SERVICES

9. PROGRESS ON THE PROCUREMENT OF NEW LEISURE CONTRACTS

WARD(S) AFFECTED: All

'D' RECOMMENDATION - that the report be noted.

1.0 Purpose of Report

To update Members on progress with the procurement process for new leisure contracts.

2.0 Consultation to the Councils Corporate Objectives

2.1 Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.

2.2 Deliver responsible Community Leadership strategies with our partners and the public.

3.0 Background

3.1 Members will be aware, the Council resolved on 20 September 2006 and the Executive on 4 September 2007, to seek to secure new ten year contracts for the management of:

- the Council's two swimming pool based leisure centres and play activities (Lot 1)
- the three joint Hertfordshire County Council/School use facilities (Lot 2) (both Lots 1 and 2 are currently managed by Stevenage Leisure Limited)
- Castle Hall theatre (Lot 3) (currently managed in house)

3.2 A target start date of 1 October 2008 was established for the new contracts.

3.3 A capital allocation of up to £3.84m was identified for potential facility improvement and developments subject to negotiations with successful tenderers, robust business cases and planning consent.

4.0 Report

4.1 Progress on the procurement of the new contracts has been promising particularly in relation to the level of interest shown. In response to the Council's invitation, ten expressions of interest were received. Subsequently four organisations withdrew their interest, leaving six to proceed to tender stage: one for all three Lots; four for Lots 1 and 2 and one for Lot 3 only.

4.2 All six of the organisations proceeding with the tender process have carried out official visits to all the sites and submitted a range of detailed questions to the team working on the project

4.3 This is an important strategic ten year contract for the Council. No opportunity should be missed therefore to improve the likelihood of this tender process delivering optimum outcomes for the Council. For the following reasons, a revised project timetable has been established:

- a request from bidders to extend the tender return date by up to eight weeks,
- to help address the work load associated with the level of interest shown, in particular the amount of additional information being asked for,
- to better fit the key decisions into the new civic calendar in relation to Community Scrutiny Committee and Executive, and
- to better incorporate the major improvement and repair works that are required at Hartham. The works are scheduled for December/Christmas 2008. It considered preferable to complete these works prior to the launch of the new contract, rather than two months into the new contract, thus averting both income loss at the start of the new contract and possible adverse publicity.

4.4 The Director of Customer and Community Services, having consulted with the portfolio holder, has decided that it is in the Council's interest that the timetable should be revised. The revised timetable and milestones have been communicated to bidders.

4.5 The revised timetable, as attached at Appendix 'A' (Page 9.5), shows a new tender return date of 25 April 2008 (allowing a four week extension) and a new contract start date of 1 January 2009 – representing a three month variation on the original target date.

4.6 The key milestones in the revised timetable are:

25 April 2008 - tender returns

13 May 2008 – selection of bidders for negotiated stage

20 June 2008 – best and final offers submitted by tenderers

27 June 2008 – preferred bidder selected

22 July 2008 – report with recommendation to Community Scrutiny

5 August 2008 – report with recommendation to Executive

1 January 2009 – commencement of new contract

4.7 As a consequence of the revised timetable, the Director has agreed an extension of the existing contract to December 2008 with the current contractors SLL on existing terms.

5.0 Consultation

The Executive Portfolio Holder and Leader of the Council have been consulted on the revised timetable.

6.0 Legal Implications

There are no legal implications associated with the report.

7.0 Financial Implications

There are no new financial implications associated with the revised timetable for the procurement process. The issue of capital allocation for the works at Hartham will be addressed outside of the terms of the information contained in this report.

8.0 Human Resource Implications

There are no new human resource implications within this report.

9.0 Risk Management Implications

9.1 There are no new risk management implications within this report.

Background Papers

None

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