

TO: ENVIRONMENT AND ECONOMIC POLICY COMMITTEE - 7TH June 2006

SUBJECT: TENDER PROCESS FOR MARKET CONTRACT

FROM: LEISURE AND AMENITIES

1. PURPOSE OF REPORT

1.1) The Executive are expected to give their approval at their meeting on 12th June that the contract for the operation of markets across Warwick District should go out to tender and that officers be given delegated authority to take the necessary action in order to establish a short list of potential operators in time for the September Executive.

1.2) To assist officers in creating the tender document the Environment and Economic Policy Committee is asked to consider the basis and criteria against which the tender documents will be judged.

2. BACKGROUND

2.1) E G Skett & Company have been running the market in Warwick for almost 50 years and in Leamington for about 30 years. They took over the running of the market in Kenilworth from Midland Markets in the 1980's when due to a number of significant issues the Authority had with the operator the agreement was terminated.

2.2) The current agreement requires E G Skett & Co to manage markets on behalf of Warwick District Council. The markets which are included in this agreement are the weekly market in Warwick and Kenilworth and the monthly Farmers Markets in Leamington, Warwick and Kenilworth.

2.3) Given the nature and worth of the contract which totals over £100,000 a year it is necessary to test the market and go out to tender. A programme for the tender process has been set which will result in a new contract coming into force in early 2007.

2.4) Given the current difficult climate in which markets operate it is important to establish before the tender documents are prepared in September 2006 the role which members consider markets should perform within the local economy.

2.5) Over the last few years the popularity of "traditional markets" has been in decline across the country. Indeed in 2004 over 30 markets closed and since 1999 there has been a reduction in shopping visits to markets of 1.2%.

2.6) In order to try and assess the current trading position in which markets are operating officers have sought advice from the National Association of British Market Operators. A meeting between the Head of Legal, the Amenities Manager and the Chief Executive of NABMA has taken place. At that meeting it was confirmed that markets are generally in decline and that if traditional markets are to

continue to operate it is important that the Authority establishes what role it believes those markets should be playing in the local economy.

2.7) Officers are of the view that in order to establish the value which markets play within the local economy we should involve the Environment and Economic Policy Committee in that process. Members need to establish if the contract should be based simply on the income which can be generated from operating markets or on the wider consideration of the role markets play within the local economy.

2.8) The timetable required to meet the public works contract regulations is set out below.

Date	Action	Outcome / period.
7 th June 2006	E&EPC consider contract specifications for new tender process.	Report to be considered by E&EPC and make recommendation to July Executive.
12 th June 2006	Executive agree the need to go to tender.	Give officers authority to determine a short list and E&EPC authority to agree specification
26 th June	OJEU advert placed	Advert published to seek expressions of interest.
4 th August	Receipt of expressions of interest	Allow 37 days.
August	Evaluate of Expressions of interest	Identify which companies who might be invited to tender.
6 th September	Report to E&EPC regarding Eol.	E&EPC recommendation to Executive based on the expressions of interest if we should continue with the tender process.
12 th September	Report to Executive	Agree tender list and tender specification.
26 th September	Invitation to Tender	Tender documents sent out.
6 th November	Receipt of tenders	Tender documents received back allowing 40 days
November	Evaluation of tenders by officers.	Report produced for Executive in February.
12 th December	Contract award reported to Executive	Report to Executive confirming successful tender.
1 st Jan 2007	New contract comes into immediate effect if current contractor wins new contract.	
1 st February 2007	If new contractor is appointed.	Allow 48 days

2.9) Members need to agree the key criteria against which the contract will be judged. This could include criteria regarding the level of income generated, the service provided to the local economy of a structured approach to operating market and the vitality and viability which markets offer the town centre.

2.10) Given the uncertainty about the long term future of markets officers believe that if markets are to continue in Warwick District then the tender process should include some form of “partnership” agreement. This would require the Authority and the contractor selected to work together to develop markets and to then share in any profits which might be generated from the market operation. A similar agreement is now in place but that could be widened to cover the promotion and development of markets.

2.11) Currently the market contract generates around £40,000 a year for the Authority. Is income the most important factor members believe should determine the new contract or should other factors be taken into account given the current decline in markets across the country? If so, what other factors need to be considered?

2.12) Currently the markets operated across Warwick District fit in with a pattern of markets across the entire region, this is particularly true with Warwickshire Farmers Markets. The current market contractor has developed a pattern of markets across the month and the year to try and offer a range of markets to traders which allows them to maximise their ability to trade on an annual basis. Should the new contract maintain those current arrangements?

2.13) The Warwick Charter market has been in existence for over 500 years. Officers believe that it is important that this market is maintained in order to support the vitality and viability of the town centre.

3. POLICY AND BUDGET FRAMEWORK

3.1) The continuation of the current agreement between the Council and E G Skett & Co to operate markets on behalf of Warwick District Council until the tender process has been concluded requires Executive approval.

3.2) The provision of markets (particularly Warwickshire Farmers Markets) supports Corporate Strategy CO4(2)) of promoting accessibility and vitality of our town centres.

3.3) The current anticipated income derived from these markets for 2006/07 is in line with the budget of £46,000.

3.4) Generally the performance at markets (number of stall lettings) has been behind the target set as the indicator. However the recent revival of the market in Warwick suggests that there is still support from customers for markets.

4. **OUTCOMES REQUIRED**

4.1) The Committee is asked to agree the key criteria against which the tender will be judged.

4.2) EG Skett & Company be asked to attend the next meeting of the Committee to update Councilors on current operation of the markets and to answer questions relating to possible future provision of markets across Warwick District.

Ian Coker
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BACKGROUND PAPERS

The First National Survey of Retail Markets.

Areas in District Affected: All

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