

 <b>Executive January 2015</b>		<b>Agenda Item No.</b> <h1>12B</h1>
<b>Title</b>	Options Appraisal tender process and service specification development - Exemption to Code of Procurement Practice	
<b>For further information about this report please contact</b>	Rose Winship <a href="mailto:Rose.winship@warwickdc.gov.uk">Rose.winship@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>		
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	19 <sup>th</sup> Dec 2014	Andrew Jones
Head of Service	19th Dec 2014	Rose Winship
CMT	19th Dec 2014	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	19th Dec 2014	Mike Snow
Monitoring Officer	19th Dec 2014	Andrew Jones
Finance	19th Dec 2014	Sue Simmonds
Portfolio Holder(s)	19th Dec 2014	Cllr Gallagher
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

## 1. **Summary**

- 1.1 The report seeks approval for an exemption to the Code of Procurement Practice for the engagement of consultancy support in the development of the service specification and the subsequent tender process for the future management of the Council's leisure centres.

## 2. **Recommendation**

- 2.1 The Executive approves an exemption to the Council's Code of Procurement Practice in line with clause 5.2.3 of the current code, for the appointment of specialist support for the development of the service specification, to assist in the tender process for a suitable provider for the future management of the Council's leisure centres.
- 2.2 Subject to agreeing 2.1 should members subsequently agree to proceed to a tender process that the exemption is applied to the tender evaluation process.

## 3. **Reasons for the Recommendation**

- 3.1 The Executive agreed in November 2014, to the development of a service specification detailing the desired activity mix, quality and operational requirements against which both in-house and commercial partner costs could be evaluated. In order to establish clear milestones for the Programme it is also essential that the Board fully understand the procurement and tender processes that will need to be undertaken should members decide to test the market. Discussions with the Procurement Manager and Programme Sponsor (DCE AJ) support the approach of "buying in" some specialist support on this complex piece of work.
- 3.2 Following a formal tender process in February 2014, the Council commissioned Strategic Leisure Ltd to undertake an Options Appraisal of the Council's sports and leisure provision. This culminated in presentations to Finance & Audit and Overview & Scrutiny Committees in Sept 2014 and supported by an Executive report on 5<sup>th</sup> November 2014. In the last 12 months, Strategic Leisure Ltd have worked closely with a range of officers and elected members, and engaged with a number of stakeholders. They have built a strong working relationship with these individuals, and have developed an in depth understanding of the district, the context within which this work is being undertaken and the complex relationships between the potential investment in existing facilities and the ambitious strategic projects related to the draft Local Plan.
- 3.3 Assessing the benefits

<b>Option</b>	<b>Pros</b>	<b>Cons</b>
Strategic Leisure	<ul style="list-style-type: none"><li>Existing knowledge of the area</li><li>Existing knowledge of the context and the issues relating to the project</li><li>Working relationship with officers/ councillors/ stakeholders</li><li>Timescale for start</li></ul>	<ul style="list-style-type: none"><li>Could be a risk in having single consultancy views on a complex piece of work</li><li>Requires an exemption from Policy</li></ul>

	of work – could commence Jan 2015 <ul style="list-style-type: none"> <li>• Potential for more competitive price due to the saving on need to do further background work</li> </ul>	
Tender process	<ul style="list-style-type: none"> <li>• Compliance with Code of Procurement</li> <li>• Opportunity to test the market</li> <li>• Opportunity to acquire alternative perspective on the project</li> </ul>	<ul style="list-style-type: none"> <li>• Tender will incur a delay in the commencement of the work which will impact on timescale of the wider Programme and the ability to deliver the Executive report in summer 2015</li> <li>• Inefficient use of officer time in repetition of background work with new consultancy</li> </ul>

3.4 The exemption to the Code of procurement practice is requested in line with clause 5.2.3 of the current code

#### 4. **Policy Framework**

4.1 **Policy Framework** – The report does not impact upon the Council's Policy Framework.

4.2 **Fit for the Future** – The report does not impact on Fit for the Future

4.3 **Impact Assessments** – No impact assessments have been undertaken

#### 5. **Budgetary Framework**

5.1 The report would not impact on the Council's budgetary framework.

5.2 The budget estimate in the programme costs is £30,000. It will be made clear in the scope of work the budget available to deliver the requirement.

#### 6. **Risks**

6.1 If the exemption is not approved a mini tender process would need to commence in January, which would take approx. 3 months, resulting in a delay to the work commencing. Outline timeline for the programme suggests that this work should start Jan 2015 if we are to achieve the target milestones within the programme

#### 7. **Alternative Option(s) considered**

7.1 As outlined in paragraph 3.3 the alternative to approving the exemption is to undertake a full tender process. If this were to be the desired approach, there will be a delay to the programme, a risk of additional costs due to the extra background work required by a company unfamiliar with the project, and the risk of a new company tabling conflicting views at this stage in the programme. Whilst this final point could be seen as a positive outcome, it is considered that the other risks outweigh this.