

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

14 May 2012

Report of the Chief Leisure Officer

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 LEISURE SERVICES BUSINESS UNIT – PROCUREMENT OF FITNESS EQUIPMENT

Summary

This report outlines the procurement process for the supply of new fitness equipment at Larkfield Leisure Centre and Angel Centre under European Union Regulations and the Council's Contract Procedure Rules.

1.1 Background

1.1.1 Members will be aware that the Lifestyles fitness suites at Larkfield Leisure Centre and Angel Centre are key income generating areas for the Leisure Services Business Unit. Total income from Lifestyles in 2011/12 was just short of £1 million and represents around 25% of all income to the Leisure Services Business Unit.

1.1.2 It is important in an increasingly competitive market that the Council continues to invest in 'state of the art' fitness equipment to attract and retain customers. Historically the cardiovascular equipment was given a life of four years on the Council's capital renewals schedule with resistance equipment having a life of five years. As a savings measure, and in order to align replacement of the equipment, the current resistance equipment has been life extended to six years and the cardiovascular to five years to coincide for replacement on 1 April 2013. This means that the current warranty on resistance equipment has expired and the LSBU will now bear ongoing maintenance costs.

1.1.3 It is now necessary to commence the procurement process and, in doing so, it may allow installation at Christmas 2012, with payment withheld to 1 April 2013.

1.1.4 The current value of replacement within the capital renewals schedule is c£350,000.

1.2 Procurement

1.2.1 The value of the contract requires that it be tendered under EU contract rules, and it is felt appropriate for it to be let under an open procedure.

- 1.2.2 The purpose of the tender evaluation process is to select a tenderer who best meets the requirements of the authority and will provide best value. The European Procurement Directive requires the Council to identify the criteria by which the Contract will be awarded. There are only two possible selection criteria options. These are either “lowest price” or “the economically most advantageous tender”. It is very rare for the “lowest price” to be chosen as this does not include in it any ability to award the contract on the basis of the “quality” of the bid. I therefore propose that the contract selection criteria for this contract be based on the economically most advantageous tender.
- 1.2.3 Whilst it is the intention to award the contract on the basis of the economically most advantageous tender, it is also proposed to weight the evaluation on the following basis – 70:30 quality versus value for money as in previous years. This will inform the tenderers that priority is being afforded to the quality of the product and associated service. Where a contracting authority intends to award a contract on the basis of the economically most advantageous tender, it must state in the contract documents (or in the contract notice) the award criteria it intends to apply. A copy of the proposed award criteria is attached at **[Annex 1]**.
- 1.2.4 A tender timescale will be devised in liaison with the Chief Solicitor which meets the requirements of the EU Regulations, the Council’s Contracts Procedure Rules and allows at least 45 clear days between issue of invitation to tender and return of tenders, where the tendering process is conducted electronically and 52 clear days where this is not the case.
- 1.2.5 Subject to agreement it is intended to procure the equipment electronically in collaboration with Dartford Borough Council through the Improvement and Efficiency South East Business Portal. It is a procedural requirement for the Council to inform the tenderers at the outset how the tenders will be evaluated and it is the intention to follow the staged approach used in evaluating other contracts to date:

Stage 1 – Compliance with Conditions of Tender

Stage 2 – Financial Analysis

Stage 3 - Technical Analysis, including site visits and interview with tenderer as appropriate

Stage 4 – Comparison and Summary of Tenders

1.3 Advertisement

- 1.3.1 In order to comply with the EU Regulations an advertisement will be placed in the Official European Journal (OEJU Notice) and in addition on the Improvement and Efficiency South East Business Portal.

1.4 Legal Implications

- 1.4.1 The Procurement must be conducted in accordance with the Public Contract Regulations 2006 (as amended) which implement the European Directive 2004/18/EC known as the Consolidated Procurement Directive, the EC Treaty Principles of openness, transparency and equality of treatment for all contractors and also the Council's Contract Procedure Rules.

1.5 Financial and Value for Money Considerations

- 1.5.1 The evaluation process is weighted to ensure appropriate value for money consideration.

1.6 Risk Assessment

- 1.6.1 A risk assessment has taken place to ensure that the procedures applied conform with the EU regulations and take place within a relevant time frame. Failure to do so could result in time delays causing a financial loss in a competitive market or an external challenge to our procedure.

1.7 Equality Impact Assessment

- 1.7.1 See 'Screening for equality impacts' table at end of report

1.8 Policy Considerations

- 1.8.1 Procurement, Healthy Lifestyles, Community.

1.9 Recommendations

- 1.9.1 It is **RECOMMENDED TO CABINET** that the procurement of new fitness equipment for Larkfield Leisure Centre and the Angel Centre be progressed as outlined in the report, and the outcome of tendering process be reported to a future meeting of Cabinet.

The Chief Leisure Officer confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers: Nil

contact: Martin Guyton

Robert Styles
Chief Leisure Officer

Maria Heslop
Cabinet Member for Leisure, Youth and Arts

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	This equipment is being replaced on a like for like basis.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	Larkfield Leisure Centre will continue to comply with the Inclusive Fitness Initiative award.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.