



ASHFORD LEISURE PROCUREMENT PROGRAMME INITIATION DOCUMENT

Purpose: To describe the proposal to initiate and complete the procurement of an operator for Ashford's Leisure Centres to secure and implement investment in the town's main leisure facilities, reduce the cost of delivering leisure services and further enhance the effectiveness of those services in reaching target groups.

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1. PROJECT BACKGROUND

This document has been drafted to initiate the procurement process for an operator for Ashford's Leisure Centres / Facilities.

The Council's Leisure Services

Ashford Borough Council (ABC) and Ashford Leisure Trust (ALT), which holds a long lease on the Borough's main leisure centre (the Stour Centre) have agreed to bring several of the town's leisure facilities into a common structure and to establish new management arrangements under which the ALT Trustees will provide the strategic management and direction of those facilities and contract with an established third party leisure operator to manage the facilities and services operationally.

ALT was established by ABC in 2004 with a remit to provide facilities in the interest of social welfare and education with the object of improving the conditions of life for those people living within the Borough of Ashford and surrounding areas through the provision of a community and sport centre and other recreational facilities and activities.

ALT was subsequently granted a long lease of the Stour Centre, Ashford's main leisure centre. It also currently has a management agreement for operation of the Julie Rose Stadium and Conningbrook Lakes.

Current Management Arrangements

Four of the Council's facilities have previously been outsourced and are managed by ALT, an independent Trust (Stour Centre & Julie Rose Stadium) and More Community Leisure Trust (Serco Leisure). The table below sets out these leisure facilities and how they are currently managed.

Site	Current Management Arrangements
Stour Centre	Ashford Leisure Trust
Julie Rose Stadium and Conningbrook Lakes Country Park	Ashford Leisure Trust
Spearpoint	More Community Leisure Trust (Serco Leisure)
Pitchside/Courtside	More Community Leisure Trust (Serco Leisure)

ALT and the Council have set up a joint Partnership Board and an Officer Working Group to oversee the procurement of a new leisure operator.

As part of the future management arrangements, the Partnership Board has agreed that ALT will not directly operate any of the sites, and current resources will transfer to the successful bidder. It is envisaged that the existing employees of ALT will transfer to the new leisure operator.

The Council will seek to make capital investment in to the facilities based on engagement of the market.

Shared Vision of the Partners

This vision includes the key aspirations and ambitions that the partners, together, want the leisure operator business to support and deliver. The vision will help to identify an outcome framework that shapes the service delivery specification and future performance measures.

In addition, the procurement exercise has a number of clear objectives that the partners have previously agreed and wish to progress as part of the exercise. These compliment the visions' outcomes and are listed for reference at the end of the document.

Suggested Shared Vision:

1. We need to respond to Ashford's growth and create a vibrant mix of exciting sporting and recreational facilities and spaces to improve the quality of people's lives and civic pride.
2. We must exploit, embed and enhance the opportunities that sport and active recreation provides to help local people develop and maintain active, healthy lifestyles.
3. We need diverse and creative approaches that target the inactive so we address the local health and wellbeing priorities that sport and physical activity impact upon.
4. We must ensure that more people become and remain active more regularly, providing opportunities to get started, stay involved and compete at all levels.
5. We want to develop, test, and share innovations with imaginative and productive partners so we improve communications and programming that raise participation.
6. We want exceptional service quality and investment used wisely to enhance our facilities, spaces and programmes.
7. We want to invigorate the local economy, provide jobs and strengthen our reputation in supporting Ashford's economic success.
8. We need a community-based approach that helps local areas and neighbourhoods embrace the benefits of regular sporting and active recreation and local infrastructure that in turn helps support community spirit and collaboration.

2. PROJECT DEFINITION

Project Aim

To award a leisure management contract to an established operator to manage the scope of facilities identified above.

Project Objectives

- Encourage market engagement, ensuring a focus on service quality and investment that supports a better leisure offer and improved income generation.
- Provide a framework for innovation, encouraging partnerships which deliver increases in participation and enable the promotion of social and health outcomes.
- Achieve financially sustainable leisure provision that reduces the client's (Ashford Leisure Trust and Ashford Borough Council) liabilities.
- Balance quality, increasing participation, achieving broader outcomes in health and wellbeing, commercial performance and cost.

- Ensure fair contractual positions which can be adopted but avoid lengthy dialogue and that reduce costs and time for clients and contractors in the procurement process.
- To ensure a broad range of accessible and affordable services and activities are available to all sectors of the community, including those in particular need.

The key deliverables are summarised below:

- Ensure that a long-term operator is appointed and in place by **April 2019**
- Ensure that the business case for any investment and overall contract cost is tested at key stages of the procurement process.
- Ensure that the selected operator has a robust approach to financial and operational management meeting industry best practice procedures as a minimum.
- Ensure that the operator delivers against the shared vision of the partners.
- Develop a performance based specification that the operator can deliver against and that ALT can enforce/monitor.
- Ensure that the service provided is bespoke in relation to the Partner's objectives and community need.
- Ensure that there is flexibility in delivery of the services so that future developments can be incorporated in the operations of the leisure facilities and services.
- Ensure that the operator develops and improves the service at all times.
- Adhere to the Council's procurement and EU procurement Regulations.
- ALT to seek comment/approval from the Charity Commission that the proposed structure and arrangements are suitable/appropriate and are compatible with its charitable objectives and consequently do not risk its charitable status.
- Ensure that a Borough wide focus is maintained with an appropriate balance of outreach product commensurate with the needs of the community.
- Ensure a high quality sustainable leisure service.

Project Scope

In Scope

The following facilities/services are in scope:

- Stour Centre
- Julie Rose Stadium and Conningbrook Lakes and Country Park (operating site plan to be clearly defined)
- Spearpoint
- Community sport and physical activity delivery

Variant options

- Tennis centre at Julie Rose – as per feasibility report and funding from LTA
- Finberry Community Centre and 3G Artificial Turf Pitch

The following facilities will be included in the background information for bidders that may be included in future commissioned facilities

- Courtside/Pitchside (facilities in place, but legal agreements not)
- Chilmington Green Sports HUB (as new houses are developed)
- Future developments at Conningbrook Lakes and Country Park

The scope of this project is to work within the identified project, funding to ensure that the all work is completed within budget, on time and to a quality determined by ALT, the Council and regulations.

Specifically, this project includes:

- Developing a performance based specification that an operator can deliver against
- Work with the legal, procurement and property departments within ALT / Council to develop a legally binding contract for the operator and to ensure that leases for the facilities dovetail with the contract, specification and Partner's objectives
- Develop new revised lease arrangements between ALT and ABC and any warranties between ALT/ABC/operator.
- Comply with EU Procurement Regulations
- Comply with the Councils' Financial Regulations

Out of Scope

All other leisure services are outside the scope of this project.

Project Deliverables

- Produce and supply relevant information for potential bidders
- Produce and publish OJEU notice
- Produce and distribute SQ documentation
- Produce and distribute ISDS documentation including transparent evaluation protocols
- Organise bidders' clarification meetings
- Hold dialogue with bidders
- Conduct efficient evaluation of bids at each stage of procurement process
- Ensure a compliant procurement process that successfully identifies an operator to manage the leisure services subject to ALT Board / Council approval.
- Produce and monitor the project Risk Register
- Submission of reports/updates as appropriate in order to ensure all local approvals are met and that financial regulations are adhered to
- Award of contract to preferred bidder
- Appropriately mobilised the contract
- Staff and stakeholders consulted with at appropriate times
- Seamless transfer of service to new operator whilst maintaining high levels of customer satisfaction.

Constraints/Limitations

This project will need to consider the following:

- Councils' democratic processes and timescales □ EU procurement Regulations
- Councils' Standing Orders and Financial Regulations
- Current leisure operating contracts/leases with ALT

Interfaces

- Working group and partnership board (see below), ALT Board, Council.
- Procurement, Finance, HR, Property Services, Legal, Comms departments
- Project Manager - Max Associates
- External Legal Advisors - TBC
- Incumbent contractor - ALT
- Bidding organisations

Assumptions

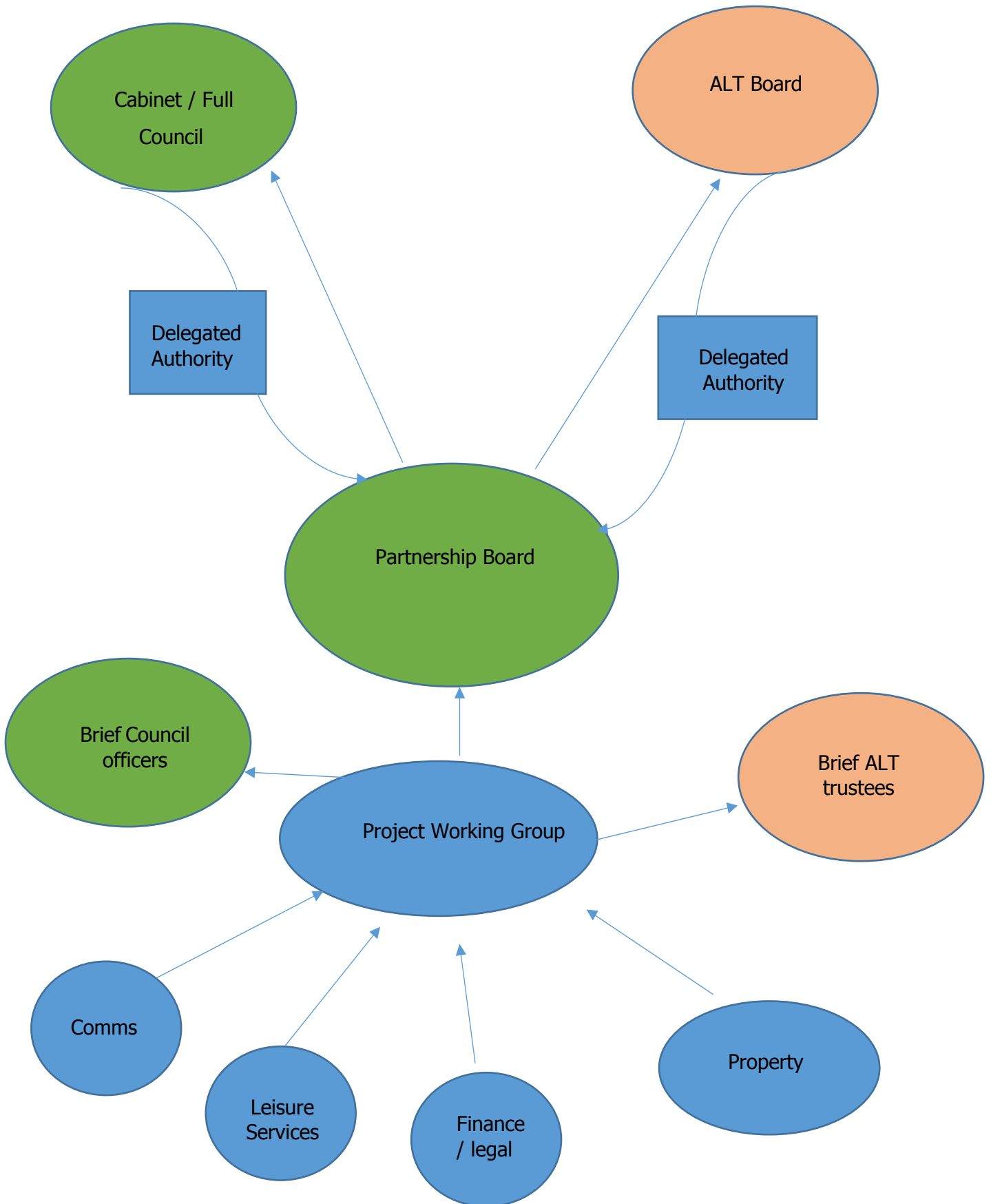
This PID assumes that:

- All those involved in the project will endeavor to complete tasks and work packages meeting deadlines as required.
- Those involved in the project will inform the Project Manager of any issues that may have implications regarding the delivery of the project.
- Those involved in the project inform the Project Manager of any unforeseen or potential risk, even if perceived as minor.
- That the Partnership Board inform the Project Manager of any changes to the scope of the project, in relation to corporate strategy or political priorities.
- That any changes to the scope may affect the completion date, the cost or the quality of provision.
- Any deviations from the agreed scope will be reported to the Project Board for approval.
- That the Project Manager can operate freely within the agreed scope of the Project.

3. PROJECT GOVERNANCE STRUCTURE

The project governance structure is shown in the chart below:

PROJECT GOVERNANCE STRUCTURE



Responsibilities of the Partnership Board

The Board will be responsible for:

Strategic review

- it provides the strategic control, direction and accountability for the way in which the project is progressed;
- that an effective and deliverable programme is prepared and delivered;
- that decisions are taken in a timely manner and by the appropriate individual or body;
- satisfactory progress is made in preparing and implementing all necessary plans;
- legal agreements – new/revised lease arrangements between ALT and ABC are in place in a timely manner in line with the procurement project plan

Risk Management

- risks are properly identified, assigned and managed;
- issues relating to the project are identified and addressed;
- work tasks are identified and clearly assigned;
- that opportunities are fully explored and considered;

Cabinet / ALT board engagement

- ALT trustees are engaged and updated;
- ABC Cabinet and O&S, are briefed;

Communications

- there are adequate and effective communication channels between all involved;
- an appropriate communications plan is implemented;
- the reputation and good name of all those involved is upheld;
- relevant services and stakeholders are fully involved as required;
- Trustees, members, stakeholders, those affected and the public are properly informed in a timely manner;
- Charity commission is engaged at suitable stages

Finance and resource

- that costs are properly identified and met;
- the project is properly resourced;
- ALT's / council's financial regulations are observed;
- key individuals are properly supported;
- working group is appropriately supported;

Composition of the Partnership Board

Cllr White	ABC	Chair
To be agreed	ALT	
David Hill	ALT	
Charlie Vavasour	ALT	
Ben Lockwood / Sarah Hartles	ABC	
Tracey Kerly	ABC	Chief Executive
Lisa Forsyth	Max	Project Manager

The Partnership Board will meet as and when key/strategic decisions are required and will commission the working group for specific elements of the project (Leisure services, Finance, Legal, Operational, Property and Communications). It will be a key requirement of the Board to develop a system of communication channels that effectively ensure all working groups, partners and key stakeholders are kept fully informed and able to contribute to all aspects of this project.

Members of the Board will be prepared to:

- Respect confidentiality of information.
- Attend meetings whenever reasonably possible. Deputies for members will be welcome if members are unable to attend.
- Work with other group members to achieve agreement on key issues to address and prioritise action.
- Complete and deliver work as agreed with the board.

Working: As and when required for Strategic decisions

Action notes will be taken by Danny Sheppard

Agendas and other papers will be published no later than 3 working days preceding the meetings.

The group will be chaired by Cllr White, in his absence, Tracey Kerly will act as chair.

Key Decisions

Prior to contract advertisement:

- Sign off key contract documentation including
 - Tier 1 and tier 2 evaluation criteria for each stage of project (this will require ALT board sign off)
 - Services specification (this will require ALT board sign off)
 - Contract terms and conditions (this will require ALT board sign off)
 - Heads of terms between ALT/ABC (this will require ALT board sign off)

During Procurement Process:

- Sign of key contract documentation updates during procurement processes
 - Sign of evaluation recommendations at:
 - SQ stage
 - Detailed stage
 - Recommendations including finances will also have to be agreed at ALT board. The Council will need to take finances and cap ex requirement to cabinet.
 - Recommendation of preferred supplier at final tender stage for O&S, ALT Board and Cabinet approval.

Responsibilities of the Working Group;

Objective

- the Board is properly supported; this is through 4 working strands:
 - Leisure
 - Legal /Finance
 - Property
 - Comms

Work flows

- actions and work packages to deliver the project are identified, allocated and delivered;
- work packages are delivered on time and to quality and that officers are supported and held accountable.

Risks

- risks are identified and reported to the Board;
- an issues log is maintained and considered;

Comms

- interested groups are kept informed and involved;
- the communications plan is implemented;

Finance and Resources

- the costs of the project are identified and budgeted for; □ ALT’s/council’s financial regulations are observed;
- key individuals are properly supported;
- task groups are appropriately supported;

Composition of the Working Group

Core working group	<ul style="list-style-type: none"> - Linda Dodds – ALT - Brendan Morrissey – ALT - Emma Wood - ALT - Christina Fuller - ABC - Ben Moyle – ABC - Paul McKenner – ABC (Head of Corporate Property and Projects) - Maria Seddon – (Finance) - Lisa Forsyth (Max) - Dan Reynolds (Max)
Other officers supporting the procurement process	<ul style="list-style-type: none"> - Procurement – Caroline Carney - Procurement Legal – Simon Talijancic - Projects and Property Solicitor – John Fairhall - Comms – Dean Spurrell / Charlie Vavasour
Legal	<ul style="list-style-type: none"> - External legal (TBA)

Members of the Working Group must be prepared to:

- Respect confidentiality of information.
- Attend meetings whenever reasonably possible. Deputies for members will be welcome if members are unable to attend.
- Work with other group members to achieve agreement on key issues to address and prioritise action.

- Complete and deliver work as agreed with the Group. If an individual is unable to deliver against the timescales agreed, then the Project Manager and/or Project Director needs to be advised by email at the earliest opportunity.
- Set out any circumstances where they may have a conflict of interest

Key Tasks:

- **Leisure Services;**
 - Development of Services specification and performance monitoring systems
 - Develop key service policy items including concessions policy, community development
 - Development of evaluation methodologies and tender documents
 - Background information
 - SQ evaluation – technical capacity (service)
 - Bidder meetings and dialogue sessions
 - Tender evaluation – services
 - Reports for Partnership Board, and Full Council as required
 - Maintain a full audit of the procurement process
- **Legal / Finance**
 - Leisure operating contract and lease documents
 - Develop pricing matrix and payment mechanisms
 - Review and sign off - procurement documents
 - SQ evaluation – finance and consortium structures
 - Bidder meetings and dialogue sessions
 - Tender evaluation – commercial and legal
 - Input into reports for Partnership Board and Full Council as required
- **Property / Planning**
 - Bidder meetings and dialogue sessions
 - Tender evaluation – capital investment submissions
- **Comms**
 - Stakeholder and customer comms strategy and plans
 - general procurement updates
 - any media enquiries

5. PROJECT QUALITY PLAN

The project will be completed in line with the detailed project programme with an overview provided below.

Indicative Project Plan and associated outcomes

Description	Expected Timescales	Methodology / outline project plan
Project Initiation	Sept/Oct 2017	<p>Project Initiation</p> <p>Assess project risks of an outsourcing exercise and identify mitigation strategies</p> <p>Identifying protocols for the procurement process and level of resources required to manage the project.</p> <p>Agree documentation required for the procurement process.</p> <p>Agree other ad hoc support required in an advisory role, for example HR, property etc. Confirming their commitment and informing them of when their time will be needed. Agree how documents/information will be controlled</p> <p>Complete procurement strategy</p>

Working Group Meetings	Ongoing	<p>Working Group Meetings:</p> <p>These will be held on a regular basis throughout the project and at particular stages such as:</p> <ul style="list-style-type: none"> • After SQ stage to discuss issues / scores and agree who will be taken through to the next stage. • To agree final documents and evaluation strategy • To agree the protocol for dealing with bidder clarification questions throughout the process • To agree invitation to submit detailed solution (ISDS) documents. • After submission of detailed solutions to discuss key finance / legal and technical issues. • After clarifications to agree final scores for bidders and choice of who to take through to final dialogue and tender stage. • Sign of final tender documents • Agree evaluation of final tenders and preferred bidder(s)
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Partnership Board Meetings and ALT Board Meetings	Ongoing	<p>Partnership Board Meetings:</p> <p>To make key decisions and sign of procurement stages during the procurement process</p>
Development of Invitation to Documents	Sept – Dec 2017	<p>These documents will include:</p> <ul style="list-style-type: none"> • A description of how the Council and ALT will conduct the competitive dialogue and the key stages of the procurement process, a proposed timetable and conditions for participation; • The criteria that will be used to award the Contract; • A Letter of Acknowledgement and Certificate of Noncanvassing and Non-collusion; • Bid Evaluation; providing information on council's weightings between price and quality for the (ISOS) and high level criteria for the ISDS / ISFT • Other supporting information • Evaluation criteria defined and agreed within the project team, based on Council's and ALT's objectives of the procurement process. • Detailed Solutions - Method statements - a series of questions designed to assess Bidders' proposals, approach and suitability for the project. • Detailed Solutions - Costing document for how bidders are to respond back to the financial costs of the service • Evaluation criteria defined and agreed within the project team, based on Council's and ALT's objectives of the procurement process; i.e. Increased participation and widening of access to leisure facilities, Improved Quality and customer satisfaction; reduced net cost.

Development of Services Specification	Nov – Dec 2017	<p>Specification will take into account:</p> <ul style="list-style-type: none"> • Aims and objectives • Description of facilities • Programming • Customer care • Facility operation/improvement • Health and Safety • Risk allocation • Building maintenance • Ground Maintenance • Performance management, including KPI's <p>Agree how method statements are to be monitored and which performance indicators are important. Include any performance targets as applicable.</p> <p>Outcome</p> <p>Output Specifications Completed</p>
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Description	Expected Timescales	Methodology / outline project plan
<p>Development of Heads of Terms for Contract and / Leases between ALT and ABC</p> <p>Development of Operator Agreement</p>	Jan – Feb 2018	<p>Contract to include:</p> <ul style="list-style-type: none"> • Draft Payment Mechanism • Default procedure • Indemnities • Risk allocation • Monitoring and benchmarking • Asset schedules • Compensation and termination protocols • TUPE obligations and other employee issues <p>Contract (revised/new lease arrangements) between ALT/ABC heads of terms completed</p> <p>Outcomes</p> <p>Contracts completed / Leases completed</p> <p>Contract / lease between ALT/ABC – heads of terms agreed</p>

Development of Evaluation Framework	Nov 2017	<p>Internal evaluation protocol to include – ensure bid compliance, bid scores in each evaluation criteria, overall acceptability and ranking of bidders.</p> <p>Evaluation panels for each area; Services, Technical, Finance/Investment, Legal/risk. Team leaders and panel members identified. Any specialist members included, for example HR.</p> <p>The evaluation timetable for each stage is agreed.</p> <p>Scoring methods agreed; 1 – 10 with definitions for each level of score.</p> <p>Weightings for each criteria agreed.</p> <p>Outcomes</p> <p>Evaluation Protocol Completed, agreed and understood by all project working group members.</p>
Publish OJEU / SQ	Mar - Apr 2018	<p>Outcomes</p> <p>OJEU notice drafted and published</p> <p>SQ's drafted and circulated to bidders.</p> <p>SQ's evaluated.</p> <p>Bidders invited through to the next stage.</p>
Detailed Solutions	May - Aug 2018	<p>Selected bidders invited through to detailed stage.</p> <p>Bidders complete detailed site visits to assess build opportunities; due diligence on condition surveys; assess technical and financial opportunities.</p> <p>Pre-submission meetings with individual bidders</p> <p>Outcomes</p> <p><i>Bidders submit their Detailed Solutions</i></p>

Description	Expected Timescales	Methodology / outline project plan
Evaluation of Detailed Solutions	Sept 2018	<p>The detailed Solutions are evaluated in line with the evaluation protocol and a number of Bidders are invited to go through to the final stage. Bidders may or may not be de-selected at this stage.</p> <p>Outcomes</p> <p>Each submission is evaluated, scored and ranked.</p> <p>Business Case tested</p> <p>Report drafted by Working Group for Partnership Board / ALT Board and Cabinet (for approval of levels and Business Case of PB) of bidders to take through to dialogue and all dialogue issues.</p>

PARTNERSHIP BOARD / ALT BOARD AND CABINET APPROVAL	Oct 2018	Approvals gained from PB/ALT Board and Cabinet Two bidders are invited to proceed to the final stage of the dialogue process.
Dialogue Meetings	Nov 2018	Dialogue conducted with selected bidders relating to their submissions and build solutions Outcomes Bidders are clear as to the requirements and service priorities for final tenders All issues from detailed solutions have been discussed.
Invitation to Submit Final Tenders (ISFT)	Dec 2018	The final stage invitation documents are completed taking into account the Detailed Solutions and dialogue undertaken Outcomes Final Stage documents are circulated to appropriate Bidders <i>Bidders submit their Final Tenders</i>
Evaluation of ISFT	Jan 2019	Final tenders are evaluated in line with the evaluation protocol. Business case tested Outcomes A preferred partner is recommended All bidders are notified as the results of the selection process
PB / ALT / Council sign off and fine tuning with preferred bidder	Feb 2019	Partnership Board review of recommendations Council and ALT approval of recommendations Council and ALT to finalise new lease arrangements Standstill / Alcatel period Due diligence commences Full mobilisation plan agreed Final specifications, method statements, management fees, agreements and schedules confirmed. Contract awarded ALT/ABC sign contractual agreements ALT/Operator sign contractual agreements
Description	Expected Timescales	Methodology / outline project plan
Mobilisation	Mar - Apr 2019	TUPE transfer Financial and legal obligations Operational protocols i.e. marketing, programming, direct debit transfers etc. Capital investment boards and working groups commence
Contract Commencement	1 st May 2019	Contract commences

6. PROJECT TOLERANCES

The project adheres to appropriate statutory and regulatory responsibilities. In particular, to ensure that the Council’s Procurement Procedures are adhered to.

ALT will need to seek comment/approval from the Charity Commission that the proposed structure and arrangements are suitable/appropriate and are compatible with its charitable objectives and consequently do not risk its charitable status.

7. PROJECT CONTROLS

The following Prince 2 major controls for the Project Board are proposed-

Project Initiation (PID)

Project working Group Meetings: The group will meet as required to meet the key stages of the project. Team members will be provided dates at least 2 weeks in advance and earlier where possible. It will monitor and working in partnership will assist where necessary all operational issues that may affect a successful delivery of the project.

Partnership Board: Will sign off key meetings and decisions as required from the Working Group.

Project Plan: To be monitored by the project manager and project team

Risk Register: To be monitored by the project manager and project team

8. PROJECT BUDGET

Budget is set out overleaf and will be reviewed on a regular basis by Working Group – any deviations to be reported to the Partnership Board.

LEISURE PROCUREMENT PROJECT COSTS	Budget	Actual	Variance
External Leisure Consultant (Max Associates)	46,000		
External Joint Legal Support	40,000		
Legal Support (ALT)	Within current resource		
Legal Support (ABC)	Within current resource		
Meeting Venue Bookings	In kind		
Open Days venue hire and catering costs	1,000		
TUPE consultancy and activation costs	tbc		
OJEU Notice	0		
Marketing support	In-house		
Facility Brochure production and associated tender production costs	2,500		
Actuary Report	4000		
Condition Surveys	In-house		
TOTAL	93,500		

9. ALT/ABC AUTHORITY TO PROCEED

Cabinet decision to agree to exercise – July 2016. Endorsement of approach (pending) – March 2018

ALT board meeting – Jan / Feb 2017

10. ASSOCIATED DOCUMENTS

Risk Log	Separate document
Communication Plan	Being prepared
Detailed Project Timescales/Plan	Separate document