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Planning

## **Rushmoor Borough Council - Leisure Centre Operator - Preliminary Market Engagement**

Rushmoor Borough Council

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

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### **Scope**

### **Reference**

DN768127

### **Description**

Following completion of the Preliminary Market Engagement process, Rushmoor Borough Council - the 'Council' - will undertake a formal procurement process to appoint a leisure operator to manage both the existing Aldershot Pools & Lido, and a proposed new leisure centre in Farnborough. The new Farnborough facility will be located in the regenerated Civic Quarter, which seeks to provide a new community heart in the town centre.

The new Farnborough Leisure Centre, which is currently scheduled to open late 2027 / early 2028, will proactively address identified community needs aligned to health, physical activity and social wellbeing.

The leisure operator appointed via the subsequent formal procurement process will manage both the Aldershot and Farnborough facilities, with the contract split into two distinct phases: (i) the Interim Phase, during which the contractor will manage the Aldershot facility and provide pre-opening services in relation to Farnborough, and (ii) the Main Phase, during which the contractor will fully operate both facilities.

The Council is currently targeting award of the contract to the successful Operator by the end of February 2026. The Interim Phase of the Contract is planned to commence shortly afterwards, at which point the Operator will be required to commence delivery of services at the existing Aldershot facilities.

The Council's target date for opening of the new Farnborough facility is late 2027 / early 2028, at which point the contract will enter its Main Phase. The duration of the Interim Phase is dependent on the date the new facility is ready to be opened, but is likely to run for around 18 to 24 months.

Payment of a significant management fee - and a surplus share - to the Council is an important part of ensuring the business case to deliver the facility is robust and allows for the proposed development to proceed.

The key specific priorities for the Council which are developed within the operational specification are:

- To increase physical activity and participation through the activities in our Leisure Facilities
- To ensure leisure facilities will promote and address improved physical and mental health and well-being in the borough
- To ensure that mental and physical health is addressed through a wide programme of activities, both within the Leisure Facilities and on an outreach basis
- Employment of a Health and Wellbeing Officer to establish links with local health and care services and providers to provide pathways into physical exercise and wellbeing activities, particularly for residents with poorer health outcomes.
- To ensure that opportunities for active travel are promoted
- To reduce energy consumption in the operational delivery of the contract to support the Authority's ambition to become carbon neutral
- That in operating the Leisure Facilities there is a focus on both income generation and social outcomes.

Ensuring that children and young people start to become physically active from an early age, adults integrate physical activity into their everyday lives, and older people stay active are key principles for this new operational management contract. The Council wishes this operational management contract to focus on:

- Improving the health and wellbeing of the whole community
- Contributing to reduced obesity levels, particularly for priority groups
- Contributing to improved mental health levels in the community, particularly for priority groups
- Increasing levels of participation in physical activity and sport through behaviour change

The Council has identified the following key Strategic Priorities for the Services to be delivered by the Operator Partner which are designed to contribute to the Council's wider local Strategic Outcomes.

- Deliver high quality Services that meet the Performance Standards and exceed customer expectations
- Deliver financially and environmentally sustainable Facilities
- Ensure Facilities are maintained to a high standard throughout the life of the contract
- Increase inclusive opportunities to participate in sport and physical activity, from beginner to performance level for all sections of the community
- Increase activity levels from underrepresented/priority groups identified as having no or low levels of physical activity including people with disabilities and their priority groups
- Improved access to Facilities, activities and opportunities for priority groups that participate less in sport and physical activity, including people with disabilities
- Provide wider social value through strong and positive engagement with partners/community
- Support the development of local sports clubs to deliver
- Ensure programmes and activities provide maximise use of all the Facilities
- Ensure Facilities remain commercially attractive, recognising that a quality environment attracts participation.

The Operator will be required to achieve and maintain the Sport England recommended Quest Facility Management accreditation scheme (or any equivalent successor scheme) for the Facilities, and Quest for the Active Communities Programme (Health and Wellbeing Development Programme). This should be obtained by:

- The end of Year 2 of the Main Phase of the contract for the Health and Wellbeing Development Programme.
- The end of Year 2 of the Main Phase of the contract for the new Farnborough Leisure Centre and Aldershot Pools & Lido for the Facility Management accreditation.

The Operator will be required to achieve and maintain a minimum standard of 'Excellent' for the Sport England recommended Quest <sup>TM</sup>/Quest <sup>TM</sup> Plus Facility Management accreditation scheme (or any equivalent successor scheme) and Quest <sup>TM</sup>/ Quest <sup>TM</sup> Plus Active Communities scheme for the outreach Health and Wellbeing Programme.

The envisaged partnership and operational management contract will operate on an open book basis. The contract has been developed using the Sport England model as set out in its latest Leisure Services Delivery Guidance (LSDG), format but has been updated to reflect relevant changes since the pandemic relating to CIL, risk and utility benchmarking.

During the Interim Phase, the Council is proposing to contract on a 'fixed fee' basis. The Council will pay the Operator a fixed annual 'Contractor Management Sum', (sum tbc), in quarterly instalments. The sum will be set by the Council and may be adjusted through the procurement process.

It is envisaged that the Operator will then issue the Council a monthly invoice in respect of a Monthly Service Charge, (operating costs and expenditure, minus all operating income plus an apportionment of the quarterly 'contractor management sum'). This will in effect underwrite any losses incurred by the Operator on a dynamic open book basis which protects against under and over payments.

Upon opening of the new facility, the payment model will be subject to a fixed management fee, (a payment to the Council), plus % open book surplus share. Whilst the Council will require a fixed management fee and surplus share, tenderers may have the ability to profile fees and surplus share percentages.

The Council will be seeking a hybrid approach in relation to servicing and maintenance of the sites. The Operator will take on full delivery and risk for all aspects of facilities management, servicing, reactive maintenance and lifecycle maintenance for the new Farnborough Leisure Centre.

In respect of the Aldershot site, the Operator will be required to take on responsibility and risk for facilities management, servicing and reactive repairs but will not be required to

take on lifecycle maintenance responsibility.

It is envisaged that the Operator will take risk on all costs of operation, other than in respect of utilities where the Council may accept risk in respect of tariff fluctuations. The Council's starting position will be that consumption risk will still sit with the Operator.

Where possible and where it is in the interests of the achieving best value, the Council may allow access to any advantageous utilities rates that it has leveraged from the market.

In respect of the new Farnborough Leisure Centre, a utility benchmarking exercise will be undertaken twelve months after the opening of the new facility to assess any change in tariff rates.

The finalised specification will be based upon the Sport England template as set out in its latest Leisure Services Delivery Guidance (LSDG). The scope of services that the Operator will be responsible for can be summarised as:

- Equipment fit out of the new Farnborough Leisure Centre
- Operation, programming, activities & events
- Marketing, promotion & communication
- Customer on-boarding, booking, account management, website, back office & customer service
- Facilities management, Health & Safety management, Servicing, Repairs & Maintenance
- Open book performance reporting, partnership working & continuous improvement

The annual estimated value of the Contract in respect of turnover generation for the Interim Period is in the range of £1.2m to £1.6m. Estimated turnover per annum for the Aldershot facilities is highly variable as usage of the Lido is directly impacted by weather conditions. Turnover for the Aldershot Pools is currently c.£1.1m, with turnover for the lido varying between £150-£450k.

In respect of the new facility the current business case projections, which are based upon local demand forecasts and industry benchmarking, are that operations, activities and events run from the new centre that fall within the scope of this contract could generate in excess of £2.5m turnover per annum.

The duration of the Interim Phase is dependent on the date when the new facility is ready

to be opened but is likely to run for around 18 months to 2 years. Once the new facility opens the Contract will then run for a further 10 years. The contract may be subsequently extended by up to a further 5 years.

### **Contract dates (estimated)**

- 1 May 2026 to 31 March 2038
- Possible extension to 31 March 2043
- 16 years, 11 months

### **Main procurement category**

Services

### **CPV classifications**

- 92610000 - Sports facilities operation services

### **Contract locations**

- UKJ37 - North Hampshire

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## **Engagement**

### **Engagement deadline**

3 April 2025

## Engagement process description

Rushmoor Borough Council - the 'Council' - is seeking to engage with suitably experienced leisure facility operators in respect of a forthcoming contracting opportunity for the operation of a planned new leisure centre in Farnborough. The contracting opportunity will also encompass operation of the Council's existing leisure centre and lido facilities located in Aldershot.

To ensure effective engagement with operators, and in the interests of transparency and fair & equal treatment set out within the Procurement Act 23, the Council has instigated this Preliminary Market Engagement process via issue of a Preliminary Market Engagement Notice on the Central Government Find a Tender Service / Central Digital Platform.

As detailed within a recent report taken to the Council's Cabinet on 11th February 2025 the Council has a number of key decisions to make in the coming months in respect of the final design, business case, programme and operating model for the new leisure centre.

The Council's Cabinet has approved the recommendation to commence a procurement process to secure an operator in advance of proceeding to finalisation of design and construction of the new facility.

As outlined within the report, it is vital that the Council has a clear binding position on the commercial arrangements with the operator market by September 2025 via this procurement process in order to obtain Cabinet approval to proceed to detailed design.

The Council then envisages undertaking a further round of tendering in order to optimise proposals and identify a most advantageous preferred bidder for the leisure operator contract in parallel with undertaking the detailed design process. The Council is then targeting to seek Cabinet approval in February to proceed to award of contract to the preferred bidder and enter into the design finalisation & construction phase of the new centre development project in that order.

Prior to undertaking the formal procurement process, which is currently targeted for commencement in April / May 2025, the Council is seeking to undertake preliminary market engagement discussions with suitably experienced operators to review in summary:

- Design & Facilities Mix
- Operations, Costs & Demand
- Commercial Arrangements & Financing

- Risk, Contract Form & Contract Duration
- Procurement Process & Programme

The Council will run an on-line briefing via TEAMS on Tuesday 25th February 2025 between 15:00 and 16:00 where further information will be shared in relation to the design of the new centre, new centre opportunity analysis, current business case, operator specification, contractual terms, etc. Following the briefing the Council will then undertake 1-1 discussions with suitably experienced operators between Tuesday 1st April - Thursday 3rd April 2025.

The Council has 6 slots available in total which will be allocated on a first come first served basis to operators who can certify that they can evidence stated levels of minimum experience which include, but are not limited to:

- Mobilisation of operations at a new facility which is similar in size and scope to the Council's envisaged new centre
- Providing a significant income stream to the client
- Providing a balanced programme of activities to maximise participation, engagement, physical activity and reduce health inequalities
- Partnership working and open book accounting
- Managing a facility which includes a swimming pool of no less than 25m length
- Operating a leisure facility on a full repair & lease basis
- Operating a leisure facility on a concession model where the operator takes risk for demand

Operators who are interested in attending the briefing session and a subsequent 1-1 meeting must complete and return Expression of Interest, Conflict of Interest Statement and Non-Disclosure Agreement by no later than 12:00 Monday 24th March 2025 via the Council's Pro-Contract e-sourcing system.

Operators are required to state which meeting slots they are able to attend and state order of preference for the dates and times available within their completed Expression of Interest form. Operators will be allocated their preferred slots wherever possible but priority will be given on a first come first served basis. Should more than 6 compliant applications be received by the deadline stated above the 6 slots will be allocated to operators in order of receipt from earliest first.

The Council will conduct a Briefing session on Tuesday 25th March between 15:00 - 16:00 remotely via TEAMS. Operators who have submitted compliant applications by the deadline stated will be invited to the briefing and issued with a Teams link to all of their named attendees / delegates at least 1 hour prior to the briefing start time. Where more than 6 operators have applied priority will be given based upon application receipt.

Only one briefing will be held, however the briefing will be recorded via Teams and will be made available to Operators after the event.

All 1-1 meetings will be held remotely via Teams. The Council has made the following 1-1 meeting slots available. Operators are to state which they can attend and state their order of preference. Meeting slots will be allocated on a first come first served basis and will be confirmed to Operators at least 2 working days before the earliest meeting slot.

Following confirmation by both parties the Council will issue a Teams link to the Operator's attendees / delegates at least 1 hour before the 1-1 meeting.

- Tuesday 1 April, 3.15pm - 4.30pm
- Wednesday 2 April, 9.30am - 10.45am
- Wednesday 2 April, 11.00am - 12.15pm
- Wednesday 2 April, 1.00pm - 2.15pm
- Thursday 3 April, 9.30am - 10.45am
- Thursday 3 April, 11.15am - 12.30pm

Operators will only be invited to attend the briefing and subsequent 1-1 meetings where no conflicts are declared which cannot be mitigated, where the Non-Disclosure Agreement has been appropriately signed without any material amendments and where the Expression of Interest form has been fully completed including for self-certification of meeting all stated minimum experience requirements.

Where operators have any questions in respect of the participation requirements, process or any other matters these must be addressed to the Council via it's e-sourcing system Pro-Contract using the correspondence function.

Operators have the option of providing a brief presentation at the 1-1 meeting and supporting summary report, although this is not a mandatory requirement and operators who do not wish to provide information in these formats will not be disadvantaged in respect of the Preliminary Market Engagement and subsequent formal procurement processes.

Similarly, operators should note that there is no obligation to take part in this preliminary market engagement exercise and that if they do not take part, it will not preclude them from the subsequent related procurement process. Engaging operators will not receive preferential treatment in any procurement tender process, and this is in no way an indication of the selection of any organisation or a guarantee of future work.

Following completion of the Preliminary Market Engagement process the Council will compile a summary report in accordance with Procurement Act 23 requirements which, without breaching commercial confidentiality for all parties, outlines participants, meeting dates, summary agendas and high-level findings.

The Council will also compile operator specific summary reports which include for detailed information and which will be kept strictly confidential. This will include for all detailed discussions in respect of commercial arrangements, costs, demand projections, etc. The Council will issue the high-level summary report to all operators who take part in this process and share the operator specific detailed reports with the relevant individual operators during April 2025. Operators will be given the opportunity to review the content of the reports and provide any comments / required amendments before they are finalised.

To ensure compliance with fair & equal treatment principles set out within the Procurement Act 23, and not creating advantage or disadvantage that cannot be effectively mitigated, the high-level summary report is likely to be included within the procurement documents issued as part of the subsequent formal procurement process. The operator specific detailed reports will not be shared.

As some of the documentation and information that will be disclosed is not ready to be issued in the public domain the Council requires that intertest operators complete and return the Non-Disclosure Agreement by the deadline stated. Any questions regarding this document should be addressed to the Council via Pro-Contract.

The Procurement Act 2023 requires the Council to identify and keep under review actual and potential conflicts of interest. The Council must also mitigate conflicts of interest and address circumstances which the Council considers are likely to cause a reasonable person to wrongly believe there to be a conflict or potential conflict of interest.

A conflict of interest arises when an individual's personal interests, relationships, or activities have the potential to interfere with their impartiality or the integrity of the procurement process. This may include financial, personal, familial, or business interests that could improperly influence, or be perceived to influence, their decisions or actions.

To meet current and future conflict of interest obligations, the Council requires that all contractors participating in the SMT process complete and return Conflicts of Interest Declaration as a condition of participating in the Microsoft Teams briefing event and 1-1

meetings.

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## **Participation**

### **Particular suitability**

- Small and medium-sized enterprises (SME)
- Voluntary, community and social enterprises (VCSE)

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## **Submission**

### **Publication date of tender notice (estimated)**

28 April 2025

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## **Procedure**

### **Special regime**

- Concession
  - Light touch
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## Contracting authority

### Rushmoor Borough Council

- Public Procurement Organisation Number: PYHV-5798-RWLT

Farnborough Road

Farnborough

GU14 7JU

United Kingdom

Telephone: +44 1252398183

Email: [procurement5@rushmoor.gov.uk](mailto:procurement5@rushmoor.gov.uk)

Website: <https://www.rushmoor.gov.uk/>

Region: UKJ37 - North Hampshire

Organisation type: Public authority - sub-central government

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## Other organisation

These organisations are carrying out the procurement, or part of it, on behalf of the contracting authorities.

### Portsmouth City Council

Summary of their role in this procurement: Provision of professional procurement support

services on an agency basis.

- Public Procurement Organisation Number: PCNL-5714-PRZV

Civic Offices, Guildhall Square

Portsmouth

PO1 2AL

United Kingdom

Telephone: +44 2392688235

Email: [procurement@portsmouthcc.gov.uk](mailto:procurement@portsmouthcc.gov.uk)

Website: <https://www.portsmouth.gov.uk/>

Region: UKJ31 - Portsmouth

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## Contact organisation

Contact [Rushmoor Borough Council](#) for any enquiries.