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Tender

## **Leisure Operator Partner - Rushmoor**

Rushmoor Borough Council

F23: Social and other specific services – concessions

Prior information notice

Notice identifier: 2023/S 000-034101

Procurement identifier (OCID): ocds-h6vhtk-041ad8

Published 17 November 2023, 1:30pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

Rushmoor Borough Council

c/o Rushmoor Borough Council Offices, Farnborough Road

FARNBOROUGH

GU14 7JU

#### **Contact**

Roger Sanders

#### **Email**

[procurement@rushmoor.gov.uk](mailto:procurement@rushmoor.gov.uk)

#### **Telephone**

+44 1252398183

#### **Country**

United Kingdom

**Region code**

UKJ37 - North Hampshire

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

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

**I.3) Communication**

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://sebp.due-north.com/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://sebp.due-north.com/>

Electronic communication requires the use of tools and devices that are not generally available. Unrestricted and full direct access to these tools and devices is possible, free of charge, at

<https://sebp.due-north.com/>

**I.4) Type of the contracting authority**

Regional or local authority

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Leisure Operator Partner - Rushmoor

#### **II.1.2) Main CPV code**

- 92610000 - Sports facilities operation services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

Rushmoor Borough Council - the 'Council' - is inviting expressions of interest from suitably qualified & experienced Operators for the management of its existing Aldershot Pools & Lido and proposed new Passivhaus certified Farnborough Leisure and Cultural Hub facilities.

The Council is targeting appointment of the successful Operator by June 2024 in order to gain design input from the Operator in respect of the new facility.

The contract will be split into two distinct phases: (i) the Interim Phase, during which the Operator will manage the Aldershot facility and provide pre-opening services in relation to Farnborough, and (ii) the Main Phase, during which the Operator will fully operate both facilities.

The Interim Phase of the Contract will commence on 1st October 2024. The Council's target date for opening of the new Leisure and Cultural Hub facility is spring 2027. The Council cannot commit to a fixed specific date at this point and if mobilisation of the main phase is delayed for any reason, the interim phase will be extended.

During the Interim Phase, the Council is proposing to contract on a 'fixed fee' basis whereby the Council pays the Operator a fixed annual 'Contractor Management Sum' set by the Council.

Upon opening of the new facility the payment model will be subject to a fixed management fee, (which the Council expects to be a payment to the Council), plus % open book surplus share.

The annual estimated value of the Contract in respect of turnover generation for the Interim Period is in the range of £1m to £1.5m. In respect of the new facility the current business case projections are that operations, activities and events run from the facility could generate approx. £4M turnover per annum. All values are exclusive of inflation and VAT.

The duration of the Interim Phase is dependent upon when the new facility opens but is likely to run for around 3 years. Once the new facility opens the Contract will then run for a further 10 years. The contract may be subsequently extended subject to agreement of both parties by a further 5 years.

It is the Council's view that the object of the contractual arrangements are classified as a service concession contract under the Public Concessions Regulations (2016) and furthermore fall under the scope of the Light Touch Regime services listed under Schedule 3 of the regulations.

In the interests of transparency, fairness, equality of opportunity, best value and future development flexibility, the Council will undertake an FTS advertised procurement process which encompasses aspects of the Competitive Dialogue and Competitive Procedure with Negotiation processes as set out within the Public Contracts Regulations (2015).

The first stage of the procurement process will invite Applicants to submit selection questionnaires. The top scoring 5-6 qualified Applicants will then be invited to submit detailed tenders which will be assessed on a 60/40 basis in favour of quality.

Following evaluation of Initial Tenders, the Council will have the option of proceeding to award or engage in further dialogue and invite best & final tenders from the highest scoring Bidders.

The procurement programme is summarised in the table below.

- Contract Notice issued - 17.11.23
- SSQ stage documents issued - 17.11.23
- SSQ submission deadline - 11.12.23 - 12:00
- SSQ shortlisting results notification - 19.12.23
- Tender pack issued - 05.01.24
- Site visit - 11.01.24
- Dialogue meetings - 16-18.01.24 & 23-25.01.24

- Tender submission deadline - 11.03.24
- Invitation to submit best and final offers - 08.04.24
- Negotiation meetings - w/c 15.04.24
- Best & final tender submission deadline - 29.04.24 12:00
- Notification of award decision - 07.06.24
- Completion of standstill period - 17.06.24 23:59
- Contract Award - 18.06.24

The Council will administrate the procurement process using its e-sourcing system ProContract/SEBP which can be accessed via <https://sebp.due-north.com/>.

### **II.1.5) Estimated total value**

Value excluding VAT: £87,000,000

### **II.1.6) Information about lots**

This concession is divided into lots: No

## **II.2) Description**

### **II.2.2) Additional CPV code(s)**

- 45212290 - Repair and maintenance work in connection with sports facilities
- 45236119 - Repair work on sports fields
- 45236290 - Repair work on recreational areas
- 45261900 - Roof repair and maintenance work
- 45453000 - Overhaul and refurbishment work
- 50700000 - Repair and maintenance services of building installations
- 55300000 - Restaurant and food-serving services
- 55400000 - Beverage-serving services
- 79992000 - Reception services

- 79993000 - Building and facilities management services
- 90911000 - Accommodation, building and window cleaning services
- 90920000 - Facility related sanitation services
- 92620000 - Sport-related services

### **II.2.3) Place of performance**

NUTS codes

- UKJ37 - North Hampshire

Main site or place of performance

The successful Operator will be required to manage the existing Aldershot Pools & Lido facility and the proposed new Passivhaus certified Farnborough Leisure and Cultural Hub which is scheduled to open in Spring 2027.

Rushmoor Borough is an urban area, located 30 miles south-west of London. It is in north-east Hampshire, adjacent to the Surrey and Berkshire Borders. The Borough is relatively small at 3,905 ha but is densely populated. There are two main urban communities:

- Farnborough (north of the Borough) - 60,652 population (Census 2021). Farnborough is recognised internationally for British aerospace research work, its airfield (the first in Britain) and the Farnborough air show.
- Aldershot (south of the Borough) - 39,807 population (Census 2021). Aldershot is a growing town, with a community predominantly comprised of young families, and a growing older population. It is also the location of the Aldershot garrison, based to the north of Aldershot Town Centre.

### **II.2.4) Description of the procurement**

#### **STRATEGIC PARTNERSHIP**

The Council is seeking a partner Operator who shares their vision for the new Leisure and Cultural Hub and will operate flexibly with the Key Users to optimise participative opportunities and benefits for the local community. The Council is seeking a long-term partnership which will contribute to local Health and Well-being priorities, whilst delivering, a Management Fee payment and a surplus share to the Council.

#### **FARNBOROUGH LEISURE & CULUTRAL HUB**

The new Farnborough facility will be part of a 'Leisure and Cultural Hub' located in the

regenerated Civic Quarter, which seeks to provide a new community heart in the town centre. The design of the hub will be full PassivHaus accredited.

The Council's aspiration is for the Civic Quarter to become a vibrant, mixed-use space providing new opportunities for town centre living and active ground floor uses, with a focus on maintaining the area as a hub of civic, community and leisure amenities.

The ambitious regeneration masterplan includes proposals for the development of the new Cultural Hub- including leisure centre, library, cultural facilities and Council Offices - with an adjacent skate park and playground. In addition, there will be up to 960 new energy-efficient homes, a new hotel, space for shopping and commercial development, more than 1.93 hectares of green open space, and two mobility hubs.

The new Passivhaus certified Leisure and Cultural Hub- which is scheduled to open in Spring 2027 - will proactively address identified community needs aligned to health, physical activity, social wellbeing and culture. Whilst the new Operator will have overall responsibility for the management of the leisure centre, 'key user agreements' are proposed with the Library Service (Hampshire County Council), Cultural Service (Hampshire Cultural Trust) and Council (Rushmoor Borough Council) for designated areas of the building to confirm priority of access and use at agreed times to meet their needs. Key Users and their customers will have shared access to communal areas of the building including the café and toilets.

## ALDERSHOT POOLS & LIDO

The Aldershot Lido opened in 1930 and sits on 10-acre site. The lido has a rich history with the single modern pentathlon event contested at the site as part of the 1948 London Olympics.

The lido opens each year between May and September, with attendances heavily dependent on the weather. In 2022, a hot summer led to a record 72,000 people using the facility, whereas a poor summer this year meant attendances fell to 35,000.

The pools building opened in 1975. The facility is popular with residents, particularly so since the closure of the Farnborough Leisure Centre. Whilst swim membership numbers remain similar to pre-Covid levels, (c.165), fitness memberships have increased from c.1,000 to over 1,200. Swimming lesson numbers are also up from c.680 pre-Covid, to over 900, primarily as a result of bringing the offer entirely in-house.

## QUEST FACILITY MANAGEMENT ACCREDITATION

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 the year 2 of the Main Phase of the contract for the new Farnborough LCH and Aldershot Pools and Lido for the Facility Management.

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

## OPEN BOOK MODEL & CONTRACT FORM

The 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,

## FACILITIES MANAGEMENT, SERVICING, MAINTENANCE RISK

In relation to servicing and maintenance of the sites, the Council is seeking a hybrid approach in respect of the sites. The Operator will take on delivery and risk for all aspects of facilities management, servicing, reactive maintenance and lifecycle maintenance (excluding building structure & foundations) for the new Leisure & Cultural Hub facility, covering the entirety of the facility rather than only the areas of the facility which fall within the operational scope of the contract.

In respect of the Aldershot facilities 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 or risk.

## UTILITIES

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 although the Council's starting position will be that consumption risk will still fall with the Operator.

The Council wishes to explore the concept of risk share around utility costs through the dialogue and negotiation phases of the process, particularly given the Council's ambitious Passivhaus aspirations and may amend the agreement to ensure best value for both parties.

Where possible and where it is in the interests of the achieving best value the Council will allow access to any advantageous utilities rates that it has leveraged from the market. In respect of Farnborough LCH, a utility benchmarking exercise will be undertaken 12 months following the opening of the new facility to assess any change in tariff rates.

Detailed information is provided within the specification which is based upon the Sport England template as set out in its latest Leisure Services Delivery Guidance (LSDG). However, the scope of services that the Operator will be responsible for can be summarised as:

- Equipment fit out of the new Farnborough Leisure & Cultural Hub
- 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

## CONTRACT COMMENCEMENT

The Interim Phase of the Contract will commence on 1st October 2024 at which point the Operator will be required to commence delivery of services at the existing Aldershot facilities. However, as stated in section 1 above the Operator will be required to feed into the development of detailed design for the new Farnborough Leisure & Cultural Hub facility as a key stakeholder.

The Council's target date for opening of the new facility is spring 2027. The Council cannot commit to a fixed specific date at this point but for the purposes of tendering a specific date / period will be included for within the financial template. If mobilisation of the main phase is delayed for any reason, the interim phase will be extended.

## PHASING

### Interim Phase:

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.

#### Main Phase:

Upon opening of the new facility the payment model will be subject to a fixed management fee, (which the Council expects to be a payment to the Council), plus % open book surplus share. Whilst the Council will require a fixed management fee and surplus share tenderers will have the ability to profile fees and / or surplus share %s. The Council will explore this further through the dialogue phase of the procurement process.

#### ESTIMATED VALUES

The annual estimated value of the Contract in respect of turnover generation for the Interim Period is in the range of £1m to £1.5m. 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.£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 facility that fall within the scope of this contract could generate approx. £4M turnover per annum.

#### CONTRACT DURATION & OPTIONS

The duration of the Interim Phase is dependent upon when the new facility is ready to be opened but is likely to run for around 3 years. Once the new facility opens the Contract will then run for a further 10 years. The contract may be subsequently extended subject to agreement of both parties by a further 5 years.

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## **Section III. Legal, economic, financial and technical information**

### **III.1) Conditions for participation**

#### **III.1.4) Objective rules and criteria for participation**

List and brief description of rules and criteria

The evaluation criteria and process that will be applied to SSQ submissions is set out within the Project Info & Instructions document accessible via <https://sebp.due-north.com/>.

The highest scoring 5-6 qualified Applicants who also meet all of the pass/fail minimum requirements will be invited to tender.

The evaluation of the SSQ will be split into two phases:

- A check on whether the supplier has satisfied the minimum requirements set out within the SSQ
- Evaluation of Technical and Professional Ability scored elements.

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## **Section IV. Procedure**

### **IV.2) Administrative information**

#### **IV.2.2) Time limit for submission of applications or receipt of tenders**

Date

11 December 2023

Local time

12:00pm

#### **IV.2.4) Languages in which tenders or requests to participate may be submitted**

English