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Not applicable

Service Contract - Operator to manage the Council's five Health and Leisure Centres on behalf of New Forest District Council using a ten year Contract commencing in Q4 2020.

New Forest District Council

F14: Notice for changes or additional information

Notice identifier: 2023/S 000-037892

Procurement identifier (OCID): ocds-h6vhtk-0429b3

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Section I: Contracting authority/entity

I.1) Name and addresses

New Forest District Council

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UKJ3 - Hampshire and Isle of Wight

Internet address(es)

Main address

<http://www.nfdc.gov.uk>

Buyer's address

<http://www.nfdc.gov.uk>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Service Contract - Operator to manage the Council's five Health and Leisure Centres on behalf of New Forest District Council using a ten year Contract commencing in Q4 2020.

Reference number

DN435977

II.1.2) Main CPV code

- 92610000 - Sports facilities operation services

II.1.3) Type of contract

Services

II.1.4) Short description

Service Contract - Operator to run five Health & Leisure Centres on behalf of New Forest District Council ("the Council") under a service contract made up of a transition year commencing 1st July 2021 followed by an initial 10-year term with the option to extend by a further 4 years ("the Services") – subject to contract

OJEU Contract Notice: 2019/S181-440831

ProContract Ref: DN435977

Section VI. Complementary information

VI.6) Original notice reference

Notice number: [2021/S 134-358110](#)

Section VII. Changes

VII.1) Information to be changed or added

VII.1.2) Text to be corrected in the original notice

Section number

DEFAULT

VII.2) Other additional information

This notice is being treated as a contract modification notice under regulation 72(3) of the PCR 2015. The contract was modified on the 20th December 2023.

Description of the modification:

The Contract has been modified such that Freedom Leisure will absorb the first 10% of increased utility costs compared against their year 2, 3, 4 & 5 bid assumption (3% inflation adjusted) and a share arrangement has been put in place for any overspend beyond 10% for each contract year. The share will be 50% the Council and 50% Freedom Leisure.

Based on the Year 2 outturn, the increased price which will be paid by the Council for Year 2 is £347,866. At this stage, the Council is unable to set out what the price increase will be for years 3, 4 and 5 but the Council does not consider that the total increase in price will exceed 50% of the value of the original contract.

Reasons for modification:

The need to modify the contract has been brought about by the extraordinary increase in utility costs caused in part by the shortage of gas as a result of the war in Ukraine. The significant increase in energy prices which has been caused by the war in Ukraine could not have been foreseen by the Council at the time that the contract was signed and the modification is necessary in order to ensure that the contract remains deliverable without a reduction in service levels/ changes to service delivery for the remainder of the contract term. The variation will not alter the overall nature of the contract as the same services will continue to be provided and the increase in payment from the Council will not exceed 50% of the value of the contract. The variation is therefore permitted in accordance with Regulation 72(1)(c) of the Public Contracts Regulations 2015.

END