

Report to:	Cabinet	Date of Meeting:	Thursday 16 April 2015
Subject:	Procurement of Southport Theatre and Convention Centre	Wards Affected:	Dukes;
Report of:	Director of Built Environment		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To update Cabinet on the current management arrangements for the Southport Theatre and Convention Centre (STCC) and to approve a procurement strategy for the continued management and operation of the STCC.

Recommendation(s)

1. Authorises the Director of Built Environment to conduct a formal procurement exercise to appoint a management company to manage and operate the STCC
2. Approves the basis of evaluation of tenders as set out in paragraphs 2.1 to 2.7 of the report
3. Authorises the Director of Built Environment to accept the Highest Scoring Tender in accordance with the approved basis of evaluation and to report on the outcome to the Cabinet Member for Regeneration & Tourism

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		/	
2	Jobs and Prosperity	/		
3	Environmental Sustainability		/	
4	Health and Well-Being		/	
5	Children and Young People		/	
6	Creating Safe Communities		/	

7	Creating Inclusive Communities		/	
8	Improving the Quality of Council Services and Strengthening Local Democracy	/		

Reasons for the Recommendation:

To enable the procurement of an appropriate organisation to manage and operate the STCC. The tender exercise will be required to follow a formal procurement Procedure. As part of this process, approval will be needed for Chief Officer delegated authority to award the contract for the management and operation of the STCC.

Alternative Options Considered and Rejected:

None of equivalent value

What will it cost and how will it be financed?

(A) Revenue Costs

The management and operation of the STCC will cost £344,250 (Management Fee) Per annum with CPI being applied on a yearly basis.

This will be met from the Tourism budget. It should be noted that some tender submissions may offer alternative management options other than a standard management fee that may achieve a saving on the current management fee.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial: None	
Legal: None	
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

Service delivery is not expected to be affected negatively and there is potential for improvement to be realised

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD3518/15) and Head of Corporate Legal Services have been consulted and any comments have been incorporated into the report. (LD 2810/15)

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Contact Officer: Mark Catherall
Tel: 0151 934 2315
Email: mark.catherall@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

1. Introduction/Background

- 1.1 The STCC is a Council owned asset that reopened in 2008 after being closed for 5 months for a £8m+ refurbishment. It is critical to the town’s visitor economy as it is the primary conference venue for Sefton. It is also the primary theatre in Sefton with a seated capacity of over 1600.
- 1.2 It has been operated for the last 18 years under a management agreement and FRI lease by Ambassador Theatre Group (ATG) which comes to term in September 2015.
- 1.3 During 2013 under the Public Procurement Regulations 2006 (as amended), the Council carried out a European Union Open Procurement Procedure to seek to procure a contract for the operational management of STCC over a 10 year period.
- 1.4 The Company that submitted the highest scoring tender subsequently withdrew from the tender process, in order for the continued operation of the STCC ATG, who at the time where the current operators offered to extend their operation term for 1 year taking it to 31st March 2015.
- 1.5 A further 6 month extension has been agreed taking the current management agreement to the 30th September 2015 to allow a formal procurement process to take place.

2.0 Proposed Procurement Strategy

- 2.1 On the 26th of February 2015 the 2015 Public Contract Regulations came into force. The new regulations bring about a number of changes that will govern how we procure the future operational management of the STCC.
- 2.2 The tender exercise will be published through the chest and will follow a 'light-touch' regime for procuring social and other specific services (including cultural services), due to the estimated value of the contract exceeding the new threshold of £557,486 the exercise will have to comply with the following obligations;
- Formal procurement procedure with minimum timescales and
 - Publish a contract award notice.
- 2.3 The tenders will be evaluated on a price: quality: interview basis on the ratio Of 30%: 50%: 20%. Tenders will be given the current management fee paid and will be invited to submit formal tender bids under a formal Lease and Management Agreement with the Council, however the tender process will also welcome alternative management options.
- 2.4 The lowest priced bid will be awarded the highest score; all remaining bids will be scored based on the proportional between each of them and the lowest priced bid.
- 2.5 The Standard Criteria and Quality Measures will include:
- Standard Criteria:
- Financial viability
 - Appropriate Insurance
 - Equality submission
 - Health and safety performance
 - Evidence of professional conduct
 - Assessment of References
- Quality Measures
- An operator with experience of successfully operating similar premises
 - A suitably qualified and experienced management team in the theatre and hospitality/ business tourism sector
 - Proposals for capital improvement to the venue and how this will improve the service delivered
 - Proposals for the delivery of an attractive and popular programme of regular entertainment
 - Proposals for performance measures for the management of the premises
 - Proposals for growth of conference business
 - Reduced costs to the Council over the term of the lease
- 2.6 An assessment panel will be established to determine the score against each of the criteria. Support and moderation will be undertaken by officers in Corporate Procurement. The officers involved will score each section against agreed criteria, with scores then being added into the overall bid scoring.

2.7 The highest scoring tenderer will be appointed subject to further approval
Delegated to Chief Officer

3.0 Timescales

Cabinet Approval	April 2015
Tender Documents Issued	April 2015
Tenders Returned	June 2015
Tenders Evaluated	June 2015
Interviews and Presentations	July 2015
Approval for tender recommendation	July 2015
Contract Awarded	August 2015