ABSTRACT: The purpose of this report is to ask the Neighbourhood Services Committee to approve the recommendations in regard to the provision of a tender for the supply of quality sports goods with the sole purpose of resale.

1. RECOMMENDATION

1.1 It is recommended that the Neighbourhood Services Committee:-

   (i) agree to carrying out a single stage tender procedure to procure quality sports goods, merchandising and sales support.

2. BACKGROUND

2.1 Leisure Services considers that the provision of the supply of quality sports goods, merchandising and sales support is essential to meet the requirement for Leisure Services to maintain a quality resale goods service within the leisure facilities. Alternatives to procuring the supply have been considered, namely; utilising current Scotland Excel “Sports Equipment” framework providers. No alternative delivery to procurement of the required supply is appropriate here because the current providers cannot offer the full range of service required.

2.2 The supply market has been analysed and it is considered that due to many of the local sports shops in the Angus towns closing down, that the leisure facilities have a roll to play in filling this gap. The goods required are readily available from a range of suppliers. A competitive tender approach to the procurement is, therefore, considered to be likely to deliver best value to the Council for this requirement.

2.3 The impact on the locally-based supply chain of going to tender for this requirement has also been considered and is considered to be minimal.

2.4 It is proposed that the tender requirements will be divided into two lots:-

   Lot 1 Wet Goods- including goggles, swimsuits, swim caps, arm bands and other swimming pool related products.

   Lot 2 Dry Goods- Tennis balls, shuttlecocks, squash balls, racquets, footballs and other sports hall related products.

2.5 This will allow suppliers working specifically in one or other of the lots highlighted to bid for that lot alone.

2.6 No national Procurement Scotland or Buying Solutions UK contract exists to meet this particular requirement. Whilst there is a Scotland Excel Framework available, “Sports Equipment Ref 110”, this only covers a small part of the whole requirement and does not cover the resale and merchandising aspects.

2.7 Consultation has been undertaken with our Tayside Procurement Consortium (TPC) partners, Dundee City Council, Perth & Kinross Council and Tayside Contracts. From that consultation, it is evident that there is no current potential for collaborative procurement of the Council’s requirement at present under the umbrella of the Tayside Procurement Consortium. This is because neither is in a position to move forward with a joint tender at this time. It may be possible to collaborate with the TPC partners for provision of the required supply in the future.
2.8 **Key Terms Proposed**

It is envisaged that the contracts will commence on 3 January 2012 for a three year period with an option to extend for up to a further two years.

The value of the contract is estimated at £20,000 per annum and £60,000 over the whole life of the contract, including any option to extend, based on previous relevant expenditure.

The contractual mechanism will be a direct award.

2.9 **Procurement Procedure**

It is considered that a single stage tender procedure would be the best means of procuring the required supply here.

The contract opportunity will be openly advertised on the Public Contracts Scotland Portal in accordance with Council policy and as a means of securing good competition to deliver best value for money.

The procurement is not considered to be a “major procurement” in terms of Financial Regulation 16.8.4. Approval of this report would mean that the contract can be accepted without the need for further approval by the relevant Committee. In accordance with the new arrangements, the contract award will be reported to the Corporate Services Committee for noting only.

2.10 **Contract Evaluation on Award Basis**

Completed tenders returned to the Council shall be evaluated and the contract will be awarded on the basis of the most economically advantageous tender, on a mix of quality and price. The price/quality split applied will be 70/30% in accordance with Financial Regulation 16.14.2. The broad evaluation criteria and weightings will be:-

- Price 70%
- Quality of Goods 10%
- Range of Supply 5%
- Quality of Point of Sale Material 5%
- Quality of Marketing Materials 5%
- Availability and Quality of Sales Support 5%

3. **CURRENT POSITION**

3.1 Leisure Services currently utilise Scotland Excel suppliers for the supply of resale goods. Two sites have also undertaken a year long sales trial with Zoggs UK in order to gauge the difference that point of sale materials and marketing/sales support with a complete branded package offers. This trial has so far proved to be very successful and worthwhile, and accordingly Zoggs UK goods will be specified during the procurement process.

4. **FINANCIAL IMPLICATIONS**

4.1 Sales of goods generated net income in financial year 2010/11 of some £17,000. Given the results of the Zoggs trial, it is anticipated that approval of this procurement will at least ensure maintenance of this level of net income. It is however anticipated that the wider roll out of Zoggs goods will result in an overall increase in net income. Whilst difficult to predict with any accuracy at this stage, it is considered that an increase of around £5,000 may be possible. All income generated from the goods for resale assist the Facilities in achieving their target income levels.

5. **HUMAN RIGHTS IMPLICATIONS**

5.1 There are no human rights implications arising from this report
6. EQUALITIES IMPLICATIONS

6.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective. An equalities impact assessment is not required.

7. ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT

7.1 Our public services are high quality, continually improving, efficient and responsive to local peoples needs

8. CONSULTATION

8.1 The Chief Executive, Director of Corporate Services, Head of Finance and Head of Law and Administration have been consulted in the preparation of this report.

RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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