

OFFICER DECISION FORM

DECISION TO BE TAKEN BY: Director of Neighbourhoods

KEY DECISION : No

DIRECTORATE: Neighbourhoods

WARDS AFFECTED: Bebington, Bidston and St. James, Birkenhead and Tranmere, Leasowe and Moreton East, Seacombe, West Kirby and Thurstaston.

SUBJECT; LEISURE SERVICES PROVISION OF FULLY MANAGED VENDING SERVICE

1.0 DECISION

- 1.1 The Director of Neighbourhood Services has accepted and awarded the leisure vending contract to Alpine Vending Co Ltd, for a Fully Managed Vending Service across its Leisure Facilities.

2.0 REASONS FOR THE DECISION

Background

- 2.1 Wirral Council (WC) Leisure Services are responsible for the management and operation of 6 Leisure Centres, 2 municipal golf courses and the West Kirby Watersports Centre. At present there is no vending provision within the leisure centres.
- 2.2 Previous arrangements expired during the Covid pandemic, and no interim provisions had been sourced, due to the uncertainty surround the economic recovery and return to the “new normal”.
- 2.3 Leisure Services have a need to generate income for the authority and to provide excellent facilities for residents and visitors alike. In order to add to the current leisure offering, Leisure Services approached Procurement, with the need to procure a vending solution across their facilities.
- 2.4 The process began with Soft Market Testing (SMT), where questions were asked of the market in terms of what they could offer, the type of products supplied, payment methods and how suppliers could aid WC in delivering targets against the Wirral

Plan. Suppliers were also asked to provide indicative costing if WC decided to purchase the necessary machines and facilitate the management 'in house'.

- 2.5 Leisure Services did not have the budget to fund the hire and/or purchase of vending machines or the time and resource to manage the stocking and general day to day management. Therefore, the SMT responses received, helped to shape the subsequent Invitation to Tender (ITT) documentation / specification, that was eventually issued to the Market.
- 2.6 The ITT was issued to the market and included within that, was the specification clearly outlining WC's current position and the fact that a Fully Managed Service was required with vending machines provided on a free loan basis and the successful supplier would be expected to provide Leisure Services, with a percentage of the profits from all machines.
- 2.7 Vending machines will be supplied to Wirral Council on a free loan basis, with the Council responsible for the utility charges associated with the running of the machines.
- 2.8 The Most Economically Advantageous Tender submission, was received from Alpine Vending Co Ltd, who it is proposed, will provide the authority with a 50% share of all gross profits, to be paid in monthly instalments.
- 2.9 The contract will operate on a 50/50 gross profit share basis between WBC and the supplier. The value of goods sold is expected to average £141,600 per annum (£708,000 over the full contract lifetime of 3+2 years). From this, WBC and the supplier would expect to achieve an equal share of £70,800 p/a (or £354,000 over the contract term)

3.0 STATEMENT OF COMPLIANCE

- 3.1 The recommendations are made further to legal advice from the Deputy Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been completed. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

4.0 DECLARATION OF INTEREST

- 4.1 None

Signed:

Officer: Nicki Butterworth

Title: Director of Neighbourhood Services

Date: 9 January 2023

A list of background papers on this issue is held with:

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