

From: Mark Dance, Cabinet Member for Regeneration and Economic Development

David Cockburn, Corporate Director – Business, Strategy and Support

To: Economic Development Cabinet Committee – 3 December 2013
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Decision No: 13/00080

Subject: Procurement of an organisation to deliver Visitor Economy Services for Kent County Council Area

Classification: Unrestricted

Past Pathway of Paper: Economic Development Cabinet Committee – 6 March 2013

Electoral Division: All

Summary:

KCC previously operated a three-year Service Level Agreement with Visit Kent, for them to deliver Visitor Economy services in Kent. The latest 3 year agreement expired on 31st March 2013, however this was extended for a year whilst KCC investigated the best way to secure these services in future.

Advice from the Department for Business, Innovation and Skills, received in May 2013, was that the market for these services had developed sufficiently that a procurement exercise would be necessary.

This report details the process that has been followed, and outlines the requirements that KCC have asked bidders to meet when submitting their proposals.

Recommendation:

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Regeneration and Economic Development on the proposed decision to award the contract for Visitor Economy Services for Kent County Council Area as attached at Appendix A.

1. Introduction

- 1.1 As a part of its efforts to grow the Kent economy, Kent County Council has been a long term supporter of the visitor economy. Since 2003 this support has been delivered through Visit Kent (VK) which was established by KCC as a tourism promotion agency. Until March of this year, KCC had funded Visit Kent on a three year

service level agreement.

1.2 As was reported to this committee in March 2013, following discussions held with legal and procurement advisors, it was felt that there was a need to examine the contractual relationship with Visit Kent, as since we first created the organisation, the market for these types of services had changed. Whilst advice was sought from the Department for Business, Innovation and Skills (BIS) on the best way to proceed, the existing agreement with Visit Kent was extended by one year, with an end date of March 2014.

1.3 In May 2013, BIS advice was received that the market for these type of services had matured to the point where a competitive procurement exercise should be undertaken to secure Visitor Economy Services for Kent going forward.

2. Financial Implications

2.1 The contract will commence upon 1 April 2014 and will continue until 31 March 2017 *unless* terminated in accordance with the Conditions of Contract laid out in the Invitation to Tender. Subject to satisfactory performance and availability of funding from KCC, the contract will be extended for an additional 3 years (until 31 March 2020).

2.2 The value of the contract is estimated to be £280,000 excluding VAT per annum (this represents a reduction on this contract, when set against last years spend of £339,000). However, tenderers were made aware of the fact that, due to budgetary pressures on KCC, only the first year of the contract would be guaranteed at this level. Tenderers were also asked to show how they would deliver a 10% reduction in year 2, and year 3 of the contract.

3. Bold Steps for Kent and Policy Framework

3.1 As one of its three clear aims within Bold Steps for Kent, Kent County Council is committed to growing the economy of Kent. Ensuring a strong visitor economy in Kent, attracting visitors and visitor spend and providing support to Kent tourism businesses is a key element in achieving this aim.

4. The Procurement Process

4.1 Following the receipt of the advice from BIS, work was undertaken with the Procurement team to procure these services.

4.2 A procurement plan was developed, and was discussed by the KCC Procurement Board

4.3 Following the Procurement Board, the Tender Specification

documents were developed, and were then issued via the Kent Business Portal.

The timetable for the process was:

Proposed Procurement Timetable	
Issue OJEU Advertisement and Invitation to Tender	August 14 2013
Closing date and time for Tender Submissions	September 24 2013
Commencement of Tender Evaluation Period (including Post Tender Clarification, as necessary)	September 2013
Contract Award (includes mandatory ten day standstill period)	November/December 2013
Contract Commencement Date	April 2014

5. The Requirement

5.1 The tender specification, outlining the service that we are looking for, is laid out in full in appendix 1 with the service requirements detailed in full from page 13.

5.2 In brief, the service that we asked tenderers to supply could be summarised as:

The successful supplier will be required to deliver a first class 21st century visitor economy service for Kent. They will have the vision and the leadership to set a clear strategy to make Kent one of the premier visitor destinations in the country. They will develop creative and innovative solutions to grow the Kent visitor economy throughout the life of the contract; increasing visitor numbers and the amount of visitor spend across the County.

The service should support KCC's priorities for the visitor economy, which are

- *Promote the county to target visitor markets to increase levels of visitors to Kent and the value of visitor spend*
- *Support growth in the Kent visitor economy*
- *Provide high quality support to the Kent tourism business sector*
- *Improve the skills levels of employees within the Kent visitor economy*
- *Attract additional public and private sector investment*

5.3 The procurement process is currently continuing with the expectation that the successful contractor will be notified shortly.

6. Recommendation

- 6.1** The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Regeneration and Economic Development on the proposed decision to award the contract for Visitor Economy Services for Kent County Council Area as attached at Appendix A.

7. Background Documents

Kent County Council Tender Document for Visitor Economy Services in Kent

8. Contact details

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