

Cabinet Member Leader of the County Council	
Procurement Title Procurement for a Preston Youth Zone (PYZ) Operator	
Procurement Option Concession Contract (Governed by the Concession Contracts Regulations 2016)	
New or Existing Provision New	
Estimated Annual Contract Value and Funding Arrangements Unknown. The County Council will provide a maximum revenue contribution of £150k per annum for an initial term of 10 years, as well as a lease arrangement of a building on Preston Bus Station at a peppercorn rent. The successful tenderer will be required to provide a £1million contribution to the capital costs of construction and cover the remaining costs associated with the management and operation of PYZ.	
Contract Duration The contract will be let for an initial period of 10 years. Under the provisions of the Concession Contracts Regulations 2016, the contract duration may exceed the initial term, until such time that the provider has been able to recoup the investments made in operation of the works, together with a return on invested capital, taking into account the investments required to achieve the specific contract objectives. In any event, the contract term will not exceed a maximum duration of 25 years.	
Lotting Not Applicable – In the interests of consistent service delivery, the contract will not be divided into lots.	
Evaluation	
<i>Quality Criteria 70%</i>	<i>Financial Criteria 30%</i>
Social Value will account for 10% of the quality criteria focusing on all social value objectives.	
The proposed funding model submitted by the bidders will form the basis of evaluating the Financial Criteria.	

Contract Detail

A compliant procurement exercise is required to support the Council's application of State Aid exemptions which would be applicable to such a project due to the nature of leasing the building for a peppercorn rent, and revenue contributions from the Council.

Preston Youth Zone (PYZ) is a project that forms part of the larger programme of activity that is taking place in the regeneration of the Preston Bus Station and multi-storey car park.

PYZ can be described as co-locating universal positive activities for young people with targeted services for those young people seeking specialist support, creating a progressive development of an already tried and tested Youth Zone concept.

PYZ is to be co-located with the County Council's Youth Offending Team (YOT) in a freestanding building, sitting at the furthest possible point away from the existing Preston Bus Station and multi-storey Car Park. The building is split into three levels and will host a variety of spaces including sports hall, kick pitch, boxing ring, climbing wall, dance, music and fitness studios, changing rooms, reception area and café. YOT will have its own dedicated space within the building with an element of 'shared space' with PYZ such as the reception area and toilet facilities.

The PYZ is to offer young people the chance to learn new skills, make new friends, and develop their own interests, as well as having the right access to the information, support and guidance they may need to develop their lives.

Following construction of the building which will host the PYZ and YOT, the Council intends to lease the building at a peppercorn rent to an Operator for up to a maximum period of 25 years. The Council has previously made a commitment to provide a revenue contribution of £150k p.a. for an implied initial period of **10 years**. Tenderers will score higher marks in the financial evaluation if their financial model reduces this contribution amount.

The Operator will take on the operational and financial risk associated with delivering the PYZ. It is envisaged that they will need to secure private sector contributions from sponsors, arrange contributions from other public sector partners, as well as charging a fee for young people to access the activities to cover costs.

The Operator will also need to provide a capital contribution of £1 million towards the construction costs of building the PYZ.

In addition to the State Aid exemptions, an Operator cannot be directly awarded the contract without contravening EU Public Procurement Rules. As such, there is a requirement to undertake a tendering exercise to invite bids from interested parties.

Universal offer

The PYZ must be open to young people from 8-19 years of age (and up to 25 years of age for those with a disability).

PYZ must be affordable for all. Charging users may take the form of a membership fee, per session fee, or a combination of both, or none at all.

Activities to be provided include:

APPENDIX A

- a wide range of sports and physical activities, both onsite and offsite. This may include (but is not limited to) football, badminton, netball, basketball, cricket, climbing, martial arts, boxing, fitness, walking, hiking, and watersports;
- sessions are to be available for all skill/aptitude/engagements levels from 'having a go' to developing skills and engaging competitively; and
- a broad range of arts and media activities and opportunities such as dance, film, and music creation, plus art and craft workshops.

It is also intended that PYZ link in with existing services in the area to offer support and access to information, advice and guidance for young people in relation to:

- personal health and wellbeing issues including sexual health, relationships, stress, drugs, and alcohol;
- mentoring for those who need individual, targeted support;
- developing leadership skills to encourage participation in the running of PYZ and having a clearer voice in the wider community;
- employment skills and engagement with partners and local businesses;
- housing and homelessness issues; and
- help and support for young people who have been 'in care' in Lancashire.

The procurement exercise will require tenderers to demonstrate a sustainable operating model which will provide assurance that PYZ will operate for a minimum of 10 years.