

**Report of the Chief Constable to the Chair and Members
of the Policy and Resources / Corporate Development Panel
15th January 2009**

**Executive & Presenting Officer: Mrs Ann Hall, Assistant Chief Officer
(Finance & Commissioning)**

Status: For Decision

Procurement Report for Restaurant & Catering Services

1 Purpose

- 1.1 To provide Members with details of the recent catering tender exercise for the provision of Restaurant and Catering services, including the recommendations put forward by the Evaluation Team.

2 Recommendations

- 2.1 Members note the procurement method used and the recommendations put forward by the Evaluation Team.
- 2.2 Members agree to accept Tender 2 as the most economically advantageous tender.

3 Reasons

- 3.1 The current contract expired on 9th December 2008, but an interim extension was agreed with the Police Authority until 31st January 2009, in order to allow the Force an opportunity to review the procurement process and service delivery options.
- 3.2 Opportunities to collaborate with Durham and Northumbria were discussed but not considered viable as a result of timing issues which would have incurred additional costs.

3.3 Tender Process

- The Open Tender procedure was used and adverts were placed in local papers (Evening Gazette) and trade magazines (Caterer and Hotel Keeper).
- 3.4 Eighteen expressions of interest were received all of which were invited to tender.
- 3.5 Eight organisations confirmed their interest and all of them were invited to HQ in order to participate in a "Soft Market Testing" exercise, to ensure the scope of works was fully understood and achievable.
- 3.6 In August 2008, the original tender was recalled by the Authority for review and a revised timetable put in place to ensure continuity of service.
- 3.7 In November a revised tender package including updated terms and conditions was re-issued to the initial eighteen organisations, with two responses received on 5th December 2008.
- 3.8 The Evaluation Team agreed the evaluation format and assessed both tender submissions on 16th and 17th December 2008.
- 3.9 The 2 tenders were analysed and evaluated under 6 main categories – price & affordability, ability to meet the needs of specification, technical competence, sustainability, implementation process and menu/tariffs reflecting value for money.
- 3.10 On completion of the evaluation exercise, the suppliers responsible for tenders 1 and 2 were invited to present their proposals to the Evaluation Team. A summary of the scoring matrix is attached in Appendix 1.
- 3.11 The recommendation made by the Evaluation Team following completion of the evaluation matrix, site visits and presentations, is for Tender 2 to be awarded the contract for the provision of 'Restaurant & Catering Services'
- 3.12 Tender 2 is considered by the Evaluation Team to be the Most Economically Advantageous Tender (MEAT). There was a full implementation table and marketing strategy put forward within their tender documentation in order to provide a fully working solution within the required timescales. Tender 2 also provided a full financial breakdown of how they will achieve the nil subsidy service.
- 3.13 The Evaluation Team including the two external advisors agreed that Tender 2 had appeared to consider and mitigate all the perceived risks within this contract.
- 3.14 The Evaluation Team felt that a seamless transition to a new contractor was very important, in order to ensure that there is minimum disruption to the forces catering requirements and also a professional and attentive focused

approach to the existing catering staff which will TUPE over to the new contractor.

- 3.15 The Authority is recognised as an organisation that supports Fair-trade, the principles of which will continue to be supported by Tender 2.
- 3.16 The catering service will be provided on a 'nil subsidy' basis.
- 3.17 The proposed contract will commence from 1st February 2009 for a 5 year term.

4 Implications

4.1 Finance

The figures below show the comparison of costs borne by the Force for each bidder:

Tender 1: £131,436
Tender 2: £93,749

- 4.2 The prices for main meals and buffet selections are similar in both bids.
- 4.3 **Diversity and Equal Opportunities**
Tender 2 demonstrated a good approach to staff management and communication with the TUPE transfer and also there are various staff incentives to improve morale/team building.
- 4.4 **Sustainability**
Tender 2 demonstrated a very detailed approach to sustainability with the use of fair trade products, local produce/suppliers, and recognise the importance of the Sustainable Farm and Food Strategy (SFFS).
- 4.5 **Risk**
There following risks were identified:

- Tender 1 would only enter into an agreement with Cleveland Police Authority if a loss sharing (annual subsidy) was considered. In the presentation, they intimated that a charge of £2,500 per month would be levied on the Authority if sales remained at their current levels. An increase in sales of 56% would be required for the subsidy to be reduced to £600 per month
- Tender 2 advise that they can improve service without the need for any loss sharing/subsidy arrangement. The viability of tender 2 is based on an increase in sales of 11% within the staff restaurants following a rigid marketing plan.

- Tender 2 was questioned on the viability of their bid during the presentation and they re-iterated that they could remain nil-subsidy for the 5 year contract period. The evaluation team and its expert advisors were satisfied with their facts and figures.

5 Conclusions

- 5.1 The procurement process has been completed in line with European Legislation and directives.
- 5.2 The tender evaluation has been conducted in a fair, comprehensive, thorough and transparent process.
- 5.3 The tender submission has fully met the specification required by Cleveland Police.
- 5.4 The Evaluation Team are confident that the new contract offers Value for Money.

Sean Price
Chief Constable

Appendix 1 – Evaluation Summary

Report produced in consultation with:

Head of Commissioning
PFI and Contracts Manager
Procurement Officer
Procurement Advisor (Redcap Consultancy)
Catering Consultant (Enterprise Consultants)

Evaluation Team

PFI & Contracts Manager
Procurement Officer
Secretariat Support Manager, Police Authority
Office Managers, CBU
Facilities Officer
District Admin & Finance Officer
Redcap (External Consultants)
Enterprise (External Consultants)

Evaluation Summary – Tender 1

Tender Evaluation				Weighted:	External Evaluators
Section	Criteria	Value	Score	Value Score	
1	Price & Affordability	400%	30	12	ECL/Redcap
2	Ability to meet the needs of the specification	5%	60	3	ECL/Redcap
3	Technical Competence (Health & Safety)	20%	75	15	ECL/Redcap
4	Sustainability	5%	60	3	ECL/Redcap
5	Implementation	5%	10	1	ECL/Redcap
6	Financial Stability	15%	75	11	ECL/Redcap
7	Extent to which menu & tariffs reflect VFM	10%	50	5	ECL/Redcap
	Total:	100%	360	50	

Evaluation Summary – Tender 2

Tender Evaluation				Weighted:	External Evaluators
Section	Criteria	Value	Score	Value Score	
1	Price & Affordability	40%	90	36	ECL/Redcap
2	Ability to meet the needs of the specification	5%	65	3	ECL/Redcap
3	Technical Competence (Health & Safety)	20%	90	18	ECL/Redcap
4	Sustainability	5%	90	5	ECL/Redcap
5	Implementation	5%	75	4	ECL/Redcap
6	Financial Stability	15%	100	15	ECL/Redcap
7	Extent to which menu & tariffs reflect VFM	10%	75	8	ECL/Redcap
	Total:	100%	585	88	