

PART ONE

PUBLIC

Decision Maker: RENEWAL RECREATION AND HOUSING PORTFOLIO
HOLDER

Date: 6th March 2019

Decision Type: Non-Urgent Non-Executive Non-Key

Title: COMMISSIONING STRATEGY AND PROCEEDING TO
PROCUREMENT (GATEWAY): GREAT HALL CAFETERIA

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Chief Officer: Colin Brand, Director of Regeneration

Ward: All

1. REASON FOR REPORT

- 1.1 A contract is currently in place with Over the Moon for the Catering Service at the Great Hall, Civic Centre, Bromley. An exemption has been agreed for 6 months in order to give sufficient time to market test this service.

2. RECOMMENDATION(S)

3. The Portfolio Holder for Renewal Recreation and Housing is recommended to approve to market test the provision for the Catering Concession Service at the Great Hall, Civic Centre, Bromley for a contract term of 3 years, with the option to extend by a further period or periods of up to 2 years. With a whole concession contract value of £605k

Impact on Vulnerable Adults and Children

1. Summary of Impact: A number of users of the Great Hall cafeteria are people attending activities at the Great Hall. Some of these activities are for people with disabilities and for older people seeking to stay physically and mentally active and socialise. If the cafeteria were to close this service would be unavailable to those people.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Quality Environment
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Financial

1. Cost of proposal: Not applicable as this is a concession service contract
 2. Ongoing costs: Potential rental income of £6k per annum
 3. Budget head/performance centre: Leisure Trust Client – Rental income
 4. Total current budget for this head: Cr £6k
 5. Source of funding: Existing revenue budget 2018/19
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: <please select>
 2. Call-in: <please select>
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Around 50,000 p.a.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The current contract with Over the Moon to manage, deliver and develop a catering service at the Great Hall at the Bromley Civic Centre was awarded in April 2011. The service operates from Monday to Friday from 8.00 am until 3.00 pm.
- 3.2 The initial contract period was from April 2011 for 5 years with an option to extend the contract for a further 3 years until March 2019 which was done. There has been some uncertainty regarding timings for the development of the Civic Centre site however it is now clear that a catering operator is likely to be required for at least 3 years. A market tender exercise is therefore now proposed.
- 3.3 The demise for the operation of the Great hall cafeteria sits within the wider demise of the operation of the Great Hall by Mytime Active. The Mytime Active license is currently being updated in response to the new contractual arrangements agreed in November 2018 between Mytime Active and the Council. Consequently a similar update for the Great Hall cafeteria operation is required.

4. SUMMARY OF THE BUSINESS CASE

- 4.1 Under the current arrangements between the Council and Over the Moon, Over the Moon pays the Council £6k p.a. to operate the staff cafeteria. This service is a concession contract, the value of a concession contract is based on the total turnover of the concessionaire generated over the duration of the contract, net of value added tax, this is estimated to be £605k over a 5 year contract term.

4.1 SERVICE PROFILE/DATA ANALYSIS

- 4.1.1 The service operates from Monday to Friday from 8.00 am until 3.00 pm providing hot and cold food, snacks, teas and coffees. There is a breakfast menu and a lunchtime menu. The operation principally serves Council staff but visitors to the Civic Centre and those attending activities at the Civic Centre site also use the café. The area also serves as a place for Council staff to have staff and business meetings. Over the Moon also provide one of catering services on request for functions taking place across the Civic Centre site.

4.2 OPTIONS APPRAISAL

- 4.2.1 The current providers contract had already used up it's extension options and is currently on a 6 month contract, which has been approved via an exemption in order to give sufficient time to test the market.

4.3 PREFERRED OPTION

- 4.3.1 To go out to the market via an open procedure.

4.4 MARKET CONSIDERATIONS

- 4.4.1 A full market tender exercise for the service will be undertaken during the extension period.

5. STAKEHOLDER ENGAGEMENT

- 5.1 The closure of the current operation would be inconvenient for staff that use the facility for purchasing food and refreshments and for business meetings, and to visitors to the Civic Centre that use the cafeteria.

6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

6.1 Estimated Contract Value

The Council currently receives £6k p.a. income from Over the Moon. However, as this service is a concession contract, the value of a concession contract is based on the total turnover of the concessionaire generated over the duration of the contract, net of value added tax, this is estimated to be £605k over a 5 year contract term

6.2 Other Associated Costs

None

6.3 Proposed Contract Period

1st October 2019 to 30th September 2022 with a option to extend for a further period of up to 2 years.

6.4 Proposed Timetable:

Management Contract between OtM and LBB for exemption to be drafted	18th March 2019
Contract tender documents to be drafted	18th March 2019
Advertise contract and publish ITT	1st April 2019
Site visits to café for tenderers	w/c 15th April 2019
Closing date	30th April 2019
Evaluation of tenders	7th May 2019
Site visits to tenderers / clarification questions/interviews	w/c 13th May 2019
Consensus meeting	20th May 2019
Write award report	w/c 20th May 2019
PH meeting for agreement	2 July 2019
Contract start date	1 October 2019

7. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 7.1 The new contractual arrangements will include requirements relating to sustainability including the use of plastic cups and cutlery. The current contractor is a small local business and it is anticipated the future contract may be awarded again to a local provider.

8. POLICY CONSIDERATIONS

8.1 In line with Building a Better Bromley priorities.

9. IT AND GDPR CONSIDERATIONS

9.1 Future contractors will be required to operate under GDPR

10. PROCUREMENT RULES

10.1 This procurement falls below the threshold noted in the Concession Contracts Regulations 2016 so this opportunity does not need to be advertised in the OJEU. As this contract will be advertised and is above £25k, it must be advertised in Contracts Finder

11. FINANCIAL CONSIDERATIONS

11.1 The estimated concessionary value of the contract is likely to be £605k over a five year term.

11.2 A rental income of £6k per annum is received from the current service provider.

12. PERSONNEL CONSIDERATIONS

12.1 TUPE will apply and the current contractor Over the Moon have provided the required TUPE information for the tender process.

13. LEGAL CONSIDERATIONS

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	