



London Borough of Hammersmith & Fulham

Cabinet

10 OCTOBER 2011

**CABINET MEMBER
FOR RESIDENTS
SERVICES**

Councillor Greg Smith

**THE CONTRACT FOR THE MANAGEMENT
OF THE BISHOPS PARK CAFE**

**Ward:
Palace
Riverside**

Seeking approval for the appointment of a café operator to undertake the management and enter into a lease for the Bishops Park Café for four years with an option to extend for a further three years.

**HAS AN EIA BEEN
COMPLETED?
YES**

The awarded contract will generate a fixed income of £96k over a four-year period, plus a 10% commission payment of the café's revenue as detailed later in the report. If the contract is extended for a further 3 years an additional £79.3k (plus 10% of revenues) will be generated.

**HAS THE REPORT
CONTENT BEEN
RISK ASSESSED?
YES**

A separate report on the exempt part of the Cabinet agenda provides exempt information on the procurement process and recommends that the contract be awarded to the successful tenderer.

CONTRIBUTORS

AD Customer &
Commercial
DFCS
ADLDS

Recommendation:

That the report be noted.

1. BACKGROUND

- 1.1 Bishops Park is currently being redeveloped. When it re-opens in the autumn it will be one of London's premier municipal parks with visitor numbers likely to exceed 3 million people per year.
- 1.2 At the heart of the central core of the park lies the historic tea pavilion. With indoor covered terrace and outdoor seating, the pavilion will not only provide fully licensed sit-in and takeaway catering facilities for park users, it will also be a destination café in its own right.
- 1.3 The Council has carried out a procurement process in respect of catering provisions for the park café.
- 1.4 The proposed contract is for four years with a provision to extend up to a further 3 years. It is anticipated that the café will open on 31 October 2011.
- 1.5 The café operator will pay to the Council an annual rental for the lease of the premises together with a percentage based commission (which will be based on a percentage of the café's total revenue and any other revenue associated with the café revenue, exclusive of VAT).

2. PROCUREMENT PROCESS

- 2.1 In accordance with the Council's procurement procedures a Tender Appraisal Panel (TAP) was established to oversee the procurement process for the project. The TAP consists of officers from RSD Business Development Unit, Procurement, Property, Legal Services and Finance.
- 2.2 Advertisements inviting expressions of interest were placed on the London Tenders Portal and on the Council's website on 10 June 2011. The deadline for receipt of Pre-qualification questionnaires (PQQs) was 23 July 2011. Bidders were required to complete a questionnaire providing financial, insurance, technical capability and reference information. The five highest scoring bidders were then invited to the next round of the tender process.

Tender Process

- 2.3 The Council first evaluated the tender submissions on quality on the basis of the Tenderers' response to the Contractor's Proposal in accordance with the evaluation criteria set out in the ITT as follows:

Quality evaluation criteria

Section	Quality	Weighting	Total Maximum Score
A	<p>CATERING OFFER</p> <p>Degree to which Tenderer's catering offer responds to the desired Council's concept including:</p> <ol style="list-style-type: none"> 1. Overall concept of the catering offer and general scope of the menu offered 2. Type of service 3. Method of food preparation and procurement 4. Value for money (as defined by food portion size, cost and ingredients) 5. Style of food , branding, merchandising and packaging of the café. 	<p>25 total</p> <p>5</p> <p>5</p> <p>5</p> <p>5</p>	125
B	<p>FINANCIAL INFORMATION:</p> <ol style="list-style-type: none"> 1. Robustness of 4 year forecast 	<p>15 total</p> <p>15</p>	75
C	<p>EQUIPMENT AND MAINTENANCE</p> <ol style="list-style-type: none"> 1. Level of investment proportionate to the proposed concept and service level 2. Commitment to routine maintenance 	<p>15 total</p> <p>10</p> <p>5</p>	75
D	<p>MANAGEMENT STRUCTURE AND RESOURCES</p> <p>Degree to which catering offer responds to Council's concept preference including:</p> <ol style="list-style-type: none"> 1. Methods for delivering prompt, interested and enthusiastic service 2. Methods for dealing with peak demand 3. Commitment to taking a personal interest in the café's success. 4. Staff requirement training 5. Food hygiene; Health and safety systems 6. Quality management systems 	<p>20 total</p> <p>4</p> <p>4</p> <p>4</p> <p>3</p> <p>2</p> <p>3</p>	100

E	<p>MARKETING AND MERCHANDISING</p> <p>Proposals to:</p> <ol style="list-style-type: none"> 1. Market the café within Fulham in general and across London in particular 2. Secure repeat business from the general public 3. Promote the café during the low season 	<p>15 total</p> <p>5</p> <p>5</p> <p>5</p>	<p>75</p>
F	<p>SUSTAINABILITY</p> <p>Degree to which catering offer responds to Council's concept preference including:</p> <ol style="list-style-type: none"> 1. Maximum use of fresh ingredients 2. Minimising the use of packaging, disposables and the use of recycling of all waste, including the composting of food waste 3. Low energy/environmental impact equipment, taking a whole life view of costs (i.e. purchase cost plus running costs) 	<p>10 total</p> <p>5</p> <p>3</p> <p>2</p>	<p>50</p>
TOTAL		<p>100 total</p>	<p>500</p>

Responses to question were marked in accordance with the following criteria:

Assessment	Score	Interpretation
Excellent	5	Exceptional demonstration by the Tenderer of the relevant ability, understanding, skills, resource & quality measures required to provide the services. Response identifies factors that will offer potential added value, with evidence to support the response.
Good	4	Above average demonstration by the Tenderer of the relevant ability, understanding, skills, resource & quality measures required to provide the services. Response identifies factors that will offer potential added value, with evidence to support the response.

Acceptable	3	Demonstration by the Tenderer of the relevant ability, understanding, skills, resource & quality measures required to provide the services, with evidence to support the response.
Minor Reservations	2	Some minor reservations of the Tenderer's relevant ability, understanding, skills, resource & quality measures required to provide the services, with little or no evidence to support the response.
Serious Reservations	1	Considerable reservations of the Tenderer's relevant ability, understanding, skills, resource & quality measures required to provide the services, with little or no evidence to support the response.
Unacceptable	0	Does not comply and/or insufficient information provided to demonstrate that the Tenderer has the ability, understanding, skills, resource & quality measures required to provide the services, with little or no evidence to support the response.

2.4 Tenderers needed to achieve a total weighted quality score of 55% or more, with no individual sub-criterion being deemed "Unacceptable "or "Serious reservations". Tenderers who failed to reach this minimum quality requirement would be rejected and would not be invited to the e-auction.

2.5 The tenderers were requested to submit schedules of rates including the following:

2.5.1 Percentage based commission from the café revenue

2.5.2 Annual rent for years 1 to 4.

2.5.3 Annual rent for each extended year (from year 5 to year 7) including an 5% annual increase.

2.6 The TAP met on 25 August and concluded the evaluation, agreeing that the tenderer recommended in the separate exempt report be awarded the contract, as they meet the minimum quality threshold and provide an acceptable income to the Council.

3. RISK MANAGEMENT

3.1 This project is included on the departmental project register. It has been assessed as a low risk project, as there is no financial contribution required from the Council.

4. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 4.1 Awarding the lease of Bishops Park Café to the recommended tenderer will generate rental income for the Council of £96k over the four year contract, £24k per annum, commencing 2012/13. The contract may then be extended for a further three years; if this occurs the lease income will equal £25.2k, £26.4k and £27.7k respectively for those subsequent years.
- 4.2 An additional income of 10% of the café's revenue will also be paid to the Council throughout the life of the contract.
- 4.3 Other comments are in the separate report on the exempt part of the Cabinet agenda.

5. EQUALITY IMPLICATIONS

- 5.1 The EIA concluded that this proposal will improve disability access to the café and that there are no negative impacts.

6. COMMENTS OF THE ASSISTANT DIRECTOR (PROCUREMENT & IT STRATEGY)

- 6.1 The AD Procurement and IT strategy is represented on the Tender Appraisal Panel and supports the recommendations.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 7.1 Legal advice on the procurement process was provided by an external law firm. The procurement process has complied with the Council's contract standing orders and relevant EU procurement rules.
- 7.2 Other comments are in the separate report on the exempt part of the Cabinet agenda.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Project documents, avertissement, PQQ evaluations, TAP documents	Jem Kale EXT. 2370	RSD – Glenthorne Road
CONTACT OFFICER:		NAME: Jem Kale ext. 2370	