



London Borough of Hammersmith & Fulham

Cabinet

5 MARCH 2012

**CABINET MEMBER
FOR RESIDENTS
SERVICES**

Councillor Greg Smith

**AWARD OF THE MANAGEMENT OF
RAVENCOURT PARK CAFÉ CONTRACT**

**Ward:
Ravenscourt
Park**

This report sets out the process leading to a recommendation to award a contract for the management of Ravenscourt Park Café and to enter into lease of the Café for four years with an option to extend for a further three years.

This contract was let through the use of the Council's forward eAuction process to maximise the contract value and offer an additional opportunity for the tenderers to re-consider their price offer.

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 from 1April 2012.

CONTRIBUTORS

AD Customer &
Commercial
DFCS
ADLDS

Recommendation:

That the report be noted.

**HAS AN EIA BEEN
COMPLETED?
YES**

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

1. BACKGROUND

- 1.1 At the heart of Ravenscourt Park lies the Café. With indoor and outdoor seating, the Cafe not only provides sit-in and takeaway catering facilities for park users, but is also a destination café in itself.
- 1.2 The Café has been well established and is frequently used by Park users throughout the year. It comprises a store, kitchen area, internal seating space, office, staff toilets and outdoor seating area. There is level access across the site.
- 1.3 Ravenscourt Park Café's current four year contract/lease will expire on 31 March 2012. RSD has been undertaking a tender process to contract out catering provisions for the Café since August 2011.

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 19 September 2011. The deadline for receipt of Pre-qualification questionnaires (PQQs) was 17 October 2011. Applicants were required to complete a questionnaire providing financial, insurance, technical capability and reference information. The qualifying bidders were then invited to the next round of the tender process and eAuction.
- 2.3 Pre-Qualification Questionnaires (PQQ) was made available for interested organisations. Nine PQQ's were returned by the closing date of 24 October 2011
- 2.4 A financial evaluation (pass or fail) was initially carried out on all organisations that returned a PQQ. Following this all organisations were assessed in four areas as below
 - Credit Safe Assessment
 - Public liability and employer's liability assessment
 - Technical capability assessment
 - Reference assessment
- 2.5 Evaluations were carried out by TAP and organisations were selected to be invited to tender as set out in the separate exempt report.

Tender Process

- 2.6 The Council first evaluated the tender submission based on the quality of the Tenderers' response to the Contractor's Proposal in accordance with the evaluation criteria set out in the ITT. This is summarised below and detailed in Appendix A:

Quality Evaluation Criteria

Section	Assessment Area	Weighting	Maximum Score Available
A	Catering Offer	25	125
B	Financial Information	15	75
C	Equipment & Maintenance	15	75
D	Management Structure & Resources	20	100
E	Marketing & Merchandising	15	75
F	Sustainability	10	50
TOTAL		100	500

- 2.7 Responses to questions were marked in accordance with the criteria set out in Appendix B.
- 2.8 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 participate in the e-auction.
- 2.9 Forward eAuction process has been introduced to maximise the contract value and offer an additional opportunity for the tenderers to re-consider their price offer.
- 2.10. The tenderers were also requested to submit schedules of rates including the following:
- Percentage based commission from the Café revenue
 - Annual rent for years 1 to 4.
 - Annual rent for each extended year (from year 5 to year 7) including a 5% annual increase – year 5 to 7 payment is to be based on the

highest fixed rent year 1 to 4 and therefore years 5 to 7 are not to be evaluated for tender purposes.

The price scoring is summarised in the exempt report.

The eAuction Process

- 2.10 The Council has introduced a new additional step to the e-tendering process of either a reverse or forward e-auction via the London Tenders Portal. A forward e-auction was included in this tendering process and was the first to be held by the Council. It was supported by Due North which is the London tenders Portal supplier.
- 2.11 The tenderers were trained to bid on the e-auction tool for a fixed rent sum for the first four years. The live e-auction was held on 8th December 2011.

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 EXECUTIVE DIRECTOR OF FINANCE & CORPORATE GOVERNANCE

- 4.1 These are in the separate report on the exempt 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 The procurement process has been carried out in compliance with the Council's contract standing orders and relevant EU procurement rules.

7.2 The AD (Legal & Democratic Services) supports the recommendation in this report.

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	

Appendix A

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> <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 	<p>20 total</p> <p>4</p> <p>4</p> <p>4</p> <p>3</p>	100

Section	Quality	Weighting	Total Maximum Score
	5. Food hygiene; Health and safety systems 6. Quality management systems	2 3	
E	MARKETING AND MERCHANDISING Proposals to: <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 	15 total 5 5 5	75
F	SUSTAINABILITY Degree to which catering offer responds to Council's concept preference including: <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) 	10 total 5 3 2	50
TOTAL		100 total	500

Appendix B

Quality Evaluation Model

Assessment	Score	Interpretation
Excellent	5	Exceptional demonstration by the Tenderer of the relevant ability, understanding, skills, and 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, and 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, and 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, and 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.

Price Evaluation Model

PRICE		
1	TOTAL RENT FOR YEARS 1 – 4 (EXCLUDING VAT) post eAuction	90 points
2	TOTAL COMMISSION BASED ON PROJECTED TOTAL % REVENUE FOR YEARS 1 - 4 (EXCLUDING VAT)	10 points
TOTAL		100 points