

**To:** City Executive Board

**Date:** 3<sup>rd</sup> September 2008 **Item No:**

**Report of:** Head of City Development

**Title of Report:** Award of Contract for the Supply of a Town Hall Café and Catering Contract to Oxford City Council

**Summary and Recommendations**

**Purpose of report:** To grant project approval and delegated powers to award to the Executive Director of City Regeneration for the supply of a Town Hall Café and Catering Service to Oxford City Council

**Key decision?** Yes

**Executive lead member:** Councillor Mary Clarkson

**Report approved by:**

**Finance:** Chris Kaye  
**Legal:** Lindsay Cane

**Policy Framework:** Oxford City Council Corporate Plan  
Be an effective and responsive organisation, providing value for money services.

**Recommendation(s):**  
That the City Executive Board agrees:

- 1) To grant project approval for the provision of a Town Hall Café and Catering Service to Oxford City Council.
- 2) To authorise the Executive Director, City Regeneration, to award the contract for the provision of a Town Hall Café and Catering Service for Oxford City Council.
- 3) To the contract being for 3 years commencing on 8<sup>th</sup> November 2008 with an option to extend the contract by up to 2 years.

## **1 Background**

- 1.1 In 2006, Oxford City Council awarded a 2 - year contract to Fosters Rooms Limited to provide a catering service to the Town Hall. This service was previously provided in-house. Included in this contract was the operational management of the Town Hall Café, which was a new service that was provided as part of the Town Hall refurbishment project.
- 1.2 The existing contract expires on November 7th 2008. The Procurement Team in, conjunction with the Town Hall Manager, is in the process of re-tendering this contract.
- 1.3 Fosters Rooms Limited currently pay Oxford City Council £55,000 per annum to operate the café and catering service.
- 1.4 The Council's contract Supervising Officer has been satisfied with Fosters performance over the length of the contract.

## **2 Tender Process**

- 2.1 The value of the contract meant that an advertisement was placed in the Official Journal of the European Union, local and trade press and on the Council's website.
- 2.2 The evaluation panel is made up of Officers from both the procurement and Town Hall management teams. These Officers are also marking the tenders and will agree on the award recommendation.
- 2.3 The evaluation panel have determined the relevant financial and technical evaluation criteria that will provide the most economically advantageous contract, with 40% of marks being awarded for the pricing offer and 60% of marks awarded for evidence of quality. Suppliers must demonstrate that they are technically and operationally competent and able to meet the specification.
- 2.4 The evaluation panel are due to make their award recommendation by the 22<sup>nd</sup> September 2008.

## **3 Other Options**

- 3.1 The Constitution and Procurement Strategy advises that City Executive Board considers what other options are available before giving major project approval and awarding a contract over 100K. These are detailed below.
- 3.2 **Continue as we are**  
The current Town Hall Café and Catering contract is due to expire on 7<sup>th</sup> November 2008. To remain compliant and ensure best practice in providing value for money the Council is obliged to make provision for a replacement contract.
- 3.3 **Revert to an In – House Service**  
There is currently no provision of staff employed to be able to deliver an in-house café and catering service. There is also no catering expertise available amongst existing Town Hall staff. By having an external professional catering company

deliver this contract for the past two years, it is unlikely that an in-house service could meet client expectation, which has significantly risen since the contract was awarded.

### **3.4 Use a contract set up by another organisation**

There is no suitable contract that meets the needs of Oxford Town Hall and its clients.

### **3.5 Do not provide a Town Hall Café and Catering Service**

Not providing a service will have significant impact on the following:

- Town Hall income (please refer to 5.1)
- Loss of room bookings – a high number of bookings made are dependent on the provision of a catering service.

## **Benefits of this contract**

4.1 The Council receives a guaranteed income each year for the length of the contract.

4.2 Any risk of providing this service is transferred to the Supplier.

4.3 The Council has approached the management of this contract in the spirit of partnership and as a result has a good relationship with the current supplier. The Contract Supervisor intends to approach contract management in the same way, should a new supplier be awarded this contract.

4.4 The current contractor has waived or reduced fees to support charitable and community events e.g. Oxford Over 70's Christmas Parties and the Lord Mayor's Charity Ball (including a £500 donation to the charity).

## **5 Financial Implications**

5.1 The Council currently receives £55,000 a year from the current contractor.

5.2 The tender documents state that the Council is seeking offers in excess of £65,000 to Oxford City Council to run the Café and Catering contract. The documents also state that alternative financial proposals will be considered.

5.3 It is expected that Suppliers will give the Council a further 10% on all catering income that is generated in excess of £250,000 and 10% on all alcohol sales.

## **6 Legal Implications**

6.1 This contract has been tendered in accordance with the EU procurement regime. It therefore complies with both the Council's own procurement requirements and external regulation.

## **7 Staffing Implications**

7.1 There are no implications for Oxford City Council, however, should the contract be awarded to a new supplier, the current staff working on this contract may be subject to TUPE.

## **8 Risk**

- 8.1 Historically some organisations have either prepared food on Town Hall premises or brought their own food in to serve at their own events. After consultation with Oxford City Council's insurance company, it has been necessary to put in place measures to safe-guard against the Town Hall being liable for instances against 3<sup>rd</sup> party incidents (for example food poisoning). It will now be necessary for organisations who intend to provide their own catering to have public liability insurance and to agree to indemnify the Council against any liability occurring .

## **9 Other means of achieving this objective**

- 9.1 Other means of achieving this objective are explained in paragraph 3.

## **10. Recommendation**

Grant project approval for the provision of a Town Hall Café and Catering service to Oxford City Council;

Authorise the Executive Director, City Regeneration, to award the contract for the provision of a Town Hall Café and Catering service for Oxford City Council;

Agree to the contract being for 3 years commencing on 8<sup>th</sup> November 2008 with an option to extend the contract by up to 2 years.

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**List of background papers:** None

**Version number:** 1