Report to: Strategic Policy & Resources Committee
Subject: APPROVAL TO INVITE TENDERS (BOBBIN COFFEE-SHOP, CITY HALL)
Date: 17th June 2011
Reporting Officer: Gerry Millar, Director of Property & Projects
Contact Officer: George Wright, Head of Facilities Management (Ext. 5206/6232)

Relevant Background Information

Members will be aware that, under the revised Scheme of Delegation, approval must be sought from the relevant Committee prior to inviting tenders for the supply of any goods or services. Members will also be aware that, since the re-opening of the City Hall, a coffee-shop facility, named ‘the Bobbin’, has been made available to staff and the general public within the building, and that this service is provided by an external catering company.

The current franchisee, Castle Catering Ltd, was selected following a competitive procurement exercise in 2009. The resulting contract was to run for a period of one year until October 2010, with a further optional one-year extension exercisable at the council’s discretion which has been exercised. As no further extensions are provided for in the contract, it will require renewal later this year, following a competitive procurement exercise.

The Committee will also be aware that a comprehensive report dealing with a range of issues around the management of City Hall is due to be presented to a special meeting later in the year, following party briefings. This report will, amongst other things, consider and make recommendations around the various catering aspects of the building, and could have an impact upon the management arrangements in respect of the Bobbin.

Key Issues

In the light of the above, several options are available to the Committee at this time. These are:-

(a) to seek the current franchisee’s agreement to extend the contract on the existing terms and conditions for a period of 6-9 months, in order that the outcomes of the City Hall management review are known and that any implications for the operation of the Bobbin are clear, and to re-tender formally at that time;

(b) to carry out a full competitive re-tendering exercise now for a period of (typically) 3 years; or

(c) to re-tender on the basis of a one-year contract, extendable at the council’s discretion by up to 2 further 1-year extensions.

While there are advantages and disadvantages associated with each of these options, it is suggested that option (c) is the most preferable. It will allow an immediate competitive procurement exercise to take place in order to clearly demonstrate value for money, while at the same time allowing the flexibility to take account of any specific recommendations arising from the City Hall management review because of the existence of the annual ‘break’ clauses.
It should be noted that, although the day-to-day operation of the Bobbin coffee-shop facility will be a matter for the successful tenderer, the council does retain overall control in terms of quality, health & safety, opening hours, access, compliance with statutory duties and other similar matters, and regular meetings take place between the franchisee and the Civic HQ Unit in respect of these.

The Bobbin facility has the benefit of enhancing and encouraging access to the City Hall both in terms of residents of the city and also tourists and visitors, while at the same time generating a modest but welcome additional income stream for the council’s finances.

### Resource Implications

**Human Resources**
There are no human resource issues as all staffing matters will be responsibility of the successful tenderer.

**Finance**
There is an additional income for the council arising from this arrangement, although of course the running costs must be set against this.

**Assets**
There are no direct asset implications arising from this report. Any contract will be made subject to the development of a suitable form of contract by the Legal Services Department.

### Recommendations
It is recommended that the Committee authorises the Director of Property & Projects to initiate a tender exercise in respect of the catering franchise of the Bobbin area on the basis of option (c) above, namely an initial one-year contract with up to 2 further 1-year extensions exercisable solely at the council’s discretion.

### Key to Abbreviations
None.

### Documents Attached
None.