

## **Report to Corporate Director (Leisure)**

**Subject:** Open tender process for the supply of catering provision at the Richard Herrod Centre

**Date:** 4<sup>th</sup> May 2106

**Author:** Leisure Business Strategy Manager

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### **Wards Affected**

All

### **Purpose**

To approve an open tender procedure for the supply of catering provision at the Richard Herrod Centre.

### **Key Decision**

This is not a Key Decision

### **Background**

- 1.1 The existing catering contract at the Richard Herrod Centre expires on the 30<sup>th</sup> September 2016.
  - 1.2 There was a policy change in 2014 whereby hirers of the Millennium Suite at the Richard Herrod Centre were not obligated to use the in-house caterers, and could bring in an external caterer. This has increased bookings of the Millennium Suite but has also had an impact on caterers interested in taking on the catering contract at the site, as there is less guaranteed business. As a result the current catering contract is based on a fixed monthly rent from the catering contractor.
  - 1.3 The new catering contract will be a 2 year contract with the option to extend for up to a further 3 years if both the Council and supplier are in agreement to extend. When calculating the value of the contract it has to be based on the turnover of the current caterers (circa £70k pa), which puts the value of the contract at circa £350,000. However, the Richard Herrod Centre will actually only receive a fixed income each month from the caterer, which will be determined via the tender process when each caterer gives us their offer of a monthly fee. The scoring of the tender returns takes in to account the highest offer but also awards points for business development ideas for the site in relation to increasing footfall.
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## **Proposal**

2. To commence an open tendering process for the catering contract at Richard Herrod Centre, in accordance with Contract Standing Orders Section 8 – Open Tender. The contract will be for a 2yr fixed term with the option to extend up to a further 3 years.

An advertisement will be placed in/on:

- Contracts Finder website for a minimum of 14 days.

## **Alternative Options**

- 3 To remove catering provision from the Richard Herrod Centre, but this would have a detrimental impact on the bookings and income generation of the centre.

## **Financial Implications**

- 4 Contract value is estimated to be in the region of £350,000 over the full period of the contract.

## **Appendices**

- 5 None

## **Background Papers**

- 6 None identified.

## **Recommendation**

It is recommended that:

- (a) approval is given to run an open tender process for the selection of a new caterer at Richard Herrod Centre in accordance with Contract Standing Orders Section 8 – Open Tender.

## **Reasons for Recommendations**

- 7 To satisfy Standing Orders requirements and ensure business continuity at the centre.