

## Catering Tender Process

### Background

- \* The Catering Service across the University requires investment and modernisation in order to deliver a service experience which meets customer expectations. The University has ambitions for the Catering Service to make a real difference to the quality of student and staff life around campus. The Murray Café, Greggs, O'Brien's and Vardy Pod outlets are examples of recent successes in this area and the intention is to deliver even more service improvements over the coming period.
- \* The Catering Service provision across the University operates at a financial subsidy from the University. In examining the costs of services it has been decided to go through a formal tender process to assess how private sector Catering operators may be able to assist the University moving forward. This potentially extends to assistance with investment capital to modernise existing catering facilities, management and staffing arrangements and economy of scale benefits from companies whose core business specialises in catering provision.
- \* Whilst the University is committed to engaging with the private operators through the tender process to assess what they can offer, it must be stressed that the tender process is a journey with no pre determined outcomes. A competitive tender process is the established way of evaluating what the various options are for service provision and what value for money can be achieved. Until the tendering process concludes it is difficult to second guess what the various outcomes may be.
- \* A nationally recognised Catering Consultant (The Russell Partnership) was engaged to develop the catering strategy on behalf of the University in support of the desired change and modernisation agenda. The Russell Partnership strategy identified the type of catering operations required across the University including the projected level of business generated at each outlet and the level of financial investment required to deliver modernised service provision.
- \* The first stage of the strategy involved the creation of a new offer and brand to coincide with the refurbishment of the Murray Library. The University decided that this should be carried out in house and as a result the successful Murray Café opened in September 2007. This is proving very popular with customers on the City Campus. A further "Pod" format catering outlet was established in house for the Reg Vardy building atrium which opened in October 2008, again proving popular with customers.
- \* Part of the catering strategy undertaken by the Russell Partnership was to develop a catering concept for the new CitySpace building on the City Campus which opens in September 2009. This concept proposes an exciting global food theatre offer within the building which will move the catering offer available on the City Campus to a new level. A new catering operator for the CitySpace building is required. The Russell Partnership strategy also includes recommendations for significant investment in the prospect building Catering Service at St Peter's Campus.
- \* As a part of the considerations for continuing with or expanding the in-house Catering Service offers around Campus, comparisons will be made between the private sector tender proposals submitted and the existing Murray Café, St Peter's Campus Catering, St Peter's Hospitality Service, Vardy Pod and Ashburne Catering Services already operating across Campus. This will enable comparison to be made between the tender proposals received and the in house options.

## The Tender Process and Consultation

### July/August 2008

- \* The tender exercise across all Catering Services (10 lots), includes existing in house outlets in addition to the new CitySpace and St Peters retail shop operations. Potentially affecting a total of 26 staff across:
  1. St Peters (Prospect Catering, Hospitality and Reg Vardy Coffee POD)
  2. The Murray Café
  3. The Executive Waiter Service in Edinburgh building.
  4. Ashburne House
- \* In July 2008, Sharon Olver (Senior Catering Manager) informed Stuart McCroy (Unison) and Lynne Alexander (HR) of the impending tender exercise. The EU advert was due out in mid August 2008 with an initial six-week timescale for responding. All parties agreed not to brief catering staff until they returned on 18<sup>th</sup> September 2008 from their summer break.

### September 2008

- \* A briefing was held with all catering staff on 18<sup>th</sup> September 2008. Lynne Alexander (HR) and Stuart McCroy (Unison) were invited. Sue Brady briefed the staff with the support of Sharon Olver and Lynne Alexander.  
 Briefing details - Staff were advised that the University had undertaken a market tendering exercise, i.e. inviting companies to express their interest in operating catering services to the University. They were advised that an operator for CitySpace was required and what the services and expected opening times would be and that we did not have the expertise or resource for such a size and type of operation within the university currently. Also mentioned was that the current outsourced hospitality on the City Campus would continue to be outsourced. With regard to St Peters, it was suggested that operators may be interested due to its size, especially if they operated CitySpace too, but at this stage we didn't know any more than that and would need to see what, if any, level of interests were expressed. The need for investment in St Peters Prospect Catering Service were also mentioned. All staff were reassured that at this stage it was a tender exercise and outsourcing is not guaranteed to be the outcome. Nothing would change for them in the short term and that if there were any changes, then they would be subject to TUPE and staff jobs would not be at risk. Advised that Lynne was there to answer any specific HR queries.  
 Also indicated that a further brief would be held in January when more info was known, the date for this briefing needs to be decided.
- \* The University then decided to approach leisure operators with regards to operating City Lounge within the new CitySpace building, therefore the timescale for responding with initial expressions of interest was extended for a further four weeks to the 30<sup>th</sup> September 2008.

### October 2008

- \* The PQQ stage of the tender commenced and evaluation of the information and consequent short listing was confirmed.

### **November 2008**

- \* Competitive dialogue interviews took place with all short listed companies to help inform on the tender requirements.
- \* Sue Brady met with Stuart McRoy of Unison with regard to informing on the process, work to date and to agree a consultation process (note as at 22/12/08 not concluded as Stuart was awaiting advice from his regional office).

### **December 2008**

- \* Contractor site visits to all University outlets took place.
- \* All staff were briefed prior to the visits so they were aware of what was happening.
- \* Full tender documents issued on 15<sup>th</sup> December, which included full TUPE information and pension information.

### **January/February 2009**

- \* Tenders are due back by 19<sup>th</sup> January 2009.
- \* Evaluation between 20<sup>th</sup> and the end of January 2009.
- \* Shortlist will be agreed with: SB, IMG, and PW.
- \* Presentations by short listed companies to Shirley Atkinson, Ian Gray, Phil Williamson and Sue Brady and site visits to shortlisted company reference sites will commence.
- \* Decisions on service delivery made by the University around February/March 2009.

**Ian Gray and Sue Brady**

**12<sup>th</sup> January 2009**