

<b>Committee(s)</b>	<b>Dated:</b>
Hampstead Heath Consultative Committee – For Information	07/03/2016
<b>Subject:</b> Hampstead Heath – Café Tender Process	<b>Public</b>
<b>Report of:</b> Superintendent of Hampstead Heath	<b>For Information</b>
<b>Report author:</b> Richard Gentry – Open Spaces	

### **Summary**

The purpose of this report is to inform and update the Consultative Committee Members on the process and progress with regard to the retendering of the Hampstead Heath cafés at Parliament Hill Fields, Parliament Hill Lido and Golders Hill Park. The cafés in Highgate Wood and also Queen’s Park formed part of this tender process.

The bids were evaluated against set criteria for both quality and price (55% quality and 45% price). The bids received were evaluated by City of London Corporation Officers and an external catering consultant.

This tender process gives the City of London the opportunity to test the market and deliver good quality catering outlets. The awarded leases for Parliament Hill Fields, Parliament Hill Lido and Golders Hill Park cafés will generate a fixed income over the length of the 3 year lease with the addition of a projected top up rent over the same period. This will help to support agreed Service Based Review savings.

### **Recommendations**

Members are asked to:

- Note the content of this report and the progress which has been made in the retendering of the North London Open Spaces cafés.

### **Main Report**

#### **Background**

1. Hampstead Heath has three catering outlets; these are located at Parliament Hill Fields, Parliament Hill Fields Lido and Golders Hill Park.
2. A saving of £40,000 (income generation) was agreed against the Hampstead Heath cafés as part of the Open Spaces Department’s Service Based Review. However, the objective of this project is not merely income generation but also improvement in service and offering. As a first step in meeting these objectives, the City of London has carried out a tendering process for the cafés.

3. Parliament Hill Café sits adjacent to the Bandstand at Parliament Hill and is accessible from Highgate Road beyond the tennis courts. The current lease ended on 31 December 2015. The Golders Hill Park Café sits close to the entrance of Golders Hill Park on North End Road. The current lease ended on 31 January 2016. The Parliament Hill Lido café is currently leased by the tenant of the Parliament Hill Fields café. The Lido was opened in 1938 and the café is located at the rear of the Lido building. Following recent building improvement works, there is an opening to the rear of the Lido café which would allow a limited service on to Parliament Hill Fields. The leases for these cafes were due to expire before the tendering process was completed and each tenant has been placed on a tenancy at will. A tenancy at will is a property tenure that can be terminated at any time by either the tenant or the City of London.
4. The initial duration of each lease is three years, subject to the right of the City of London (at its sole discretion) to exercise its right to extend the lease. Successful tenants will be required to pay the City of London Corporation an annual base rent for the lease of the premises, together with a potential top-up rent.

### **Tender Process**

5. The Tender process was overseen by a Cafés Programme and Project Board; this Board was led by the Superintendent of Hampstead Heath. The Board was made up of internal stakeholders including City Procurement, Chamberlains, City Surveyor's and Comptroller and City Solicitor's.
6. Advertisements initially inviting expressions of interest were placed on the capitalEsourcing and City of London websites in September 2015. The formal tender process for the Hampstead Heath cafés went live on 4 November 2015 in the same web locations. An online advert was placed on the Caterer website for a period of two weeks in November 2015. Marketing was designed to ensure "Best Value" was achieved.
7. The return date for completed bids was set at 18 December 2015. The City of London, Procurement Team Category Manager extended the return for all bidders until 23 December 2015 in response to an issue experienced by one tendering companies.
8. Bidders were able to tender for just one or all five premises or any number in between one and five. The tenderer had to show what benefit there would be to the City of London Corporation if they were to be awarded more than one lease. Responses were required for each of the cafés being tendered for, for example, a single bid could not be submitted for all cafés.
9. Boyd-Thorpe Associates (City of London's appointed catering consultants for this tender process) conducted detailed comparative analysis of the bids received for each lease after the return date of 23 December 2015.
10. The tender documents comprised the Invitation to Tender (ITT), Heads of Terms, Service Specifications for each lease, a pro-forma response document (PQQ), a

formal expression of interest, and a non-disclosure agreement. Heads of Terms were prepared by the City Surveyor's Department and Boyd Thorpe Associates..

11. The response document set out the criteria under which the bid would be evaluated;

- **Catering Concept** – provide a concept/method statement giving an outline 'picture' of the style of the catering service proposed
- **Investment** – provide an outline of any investment proposed in the premises
- **Menu** – provide a sample menu with all proposed tariffs for each service period, e.g. breakfast, lunch
- **Management Structure and Support** – proposed management structure for the café, showing clearly the responsibilities associated with each role
- **Food Safety and Environmental Management** – provide a copy of their Food Safety Policy
- **Sales Forecast** – annual turnover figures projected for the three years of the agreement
- **Profit and Loss Account Forecast** – a fully itemised projected Profit and Loss account
- **Financial Offer** – the financial offer to the City of London Corporation for the 3-year lease.

12. In total 28 individual tenders were received for all five cafes by the extended submission deadline of 23 December 2015, 13 bids were received for the Parliament Hill, Lido and Golders Hill cafes. All bidders were invited to attend site visits to the cafés. The visits took place between 19 November 2015 and 2 December 2015.

13. A tender evaluation matrix was developed based on criteria deemed important for service delivery as set out in Appendix 1. A weighted score was calculated in the final column, e.g. if the Catering Concept score = 2, the weighted score = 8; if the Investment score = 1, the weighted score = 1. Each 5% is equal to 1 weighted point. The bids were scored against a matrix of 0 = unacceptable to 4 = excellent. This matrix is at Appendix 2.

### **Tender Evaluation Summary**

14. A tender evaluation panel was mediated by City Procurement and comprised the Constabulary and Queen's Park Manager, supported by catering consultants from Boyd-Thorpe Associates. Bidders were scored against key evaluation criteria, evidencing their ability to meet the City of London's quality requirements. Where appropriate, some bidders were also required to attend a clarification meeting to ensure their proposals were fully understood by the evaluation panel.

15. All tenders have been evaluated on the basis of 55% quality and 45% price weighting. The evaluation results for Parliament Hill Fields, Parliament Hill Lido and Golders Hill Park cafés are shown in the tables below:

### Parliament Hill Lido Café

Tenderer	Quality (55%)	Price (45%)	Total
Bid A	38.3%	33.8%	72.1%
Bid B	43.8%	27.5%	71.3%
Bid C	40.4%	21.7%	62.1%
Bid D	35.0%	15.0%	50.0%

### Parliament Hill Fields Café

Tenderer	Quality (55%)	Price (45%)	Total
Bid A	50.0%	40.0%	90.0%
Bid B	40.4%	32.5%	72.9%
Bid C	42.5%	21.7%	64.2%
Bid D	30.8%	30.0%	60.8%
Bid E	28.3%	32.5%	60.8%

### Golders Hill Park Café

Tenderer	Quality (55%)	Price (45%)	Total
Bid A	46.3%	37.5%	83.8%
Bid B	50.4%	28.8%	79.2%
Bid C	25.0%	37.5%	62.5%
Bid D	30.8%	27.5%	58.3%

16. The evaluation panel met on a number of occasions in January 2016 to carry out the evaluation of the bids received and the evaluation process was concluded on 7 February 2016. The recommended tenderers (Bid A in each table) have met with agreed minimum quality thresholds and provide an acceptable income to the City of London.

### Opportunities

17. Awarding the lease to the recommended tenderers will generate guaranteed rental income which will support the delivery of the Open Spaces Department's Service Based Review and improved service delivery.

### Next Steps

18. A non-public report will provide commercially sensitive information to the Hampstead Heath, Highgate Wood and Queen's Park Committee for decision on the recommendations for the awarding of the leases for each café. Successful and unsuccessful bidders will be notified of the evaluation results through the capitalSourcing Portal. A standstill period will provide a short pause between the decision being notified to bidders and the execution of the lease.

## Corporate & Strategic Implications

19. The City of London Corporate Plan has three strategic aims. The delivery of this project will: *provide valued services, such as education, employment, culture and leisure, to London and the nation.*
20. The City of London sets out three core values in its Corporate Plan. The delivery of this project will aim to: *provide services in an efficient and sustainable manner that meet the needs of our varied communities, as established through dialogue and consultation.* The City of London Corporate Plan vision and strategic aims include; *KPP2 Improving the value for money of our services within the constraints of reduced resources and KPP4 Maximising the opportunities and benefits afforded by our role in supporting London's communities.*
21. The delivery of this project meets with the Open Spaces Business Plan Departmental Objective – *Embed financial sustainability across our activities by delivering identified programmes and projects.*

## Implications

22. **Risk Factors** – Risk factors to consider are reputational risk and impact to visitors.
23. **Financial Implications** – Tenderers are clear that there will be no financial capital investment from the City of London in the cafés as part of this tender process.
24. The retendering of the Hampstead Heath cafés will help contribute to the Departmental savings agreed as part of the Corporate SBR process.
25. **HR Implications** – The successful tenderer will be deemed to have satisfied itself as to the applicability of TUPE and shall indemnify the City for any claims made by an aggrieved employee in connection with TUPE or otherwise and shall not itself bring proceedings against the City in connection with TUPE.
26. **Corporate Property Implication** - A wide marketing campaign, offering these Café's on terms prepared in consultation with the City Surveyor and appointed catering consultants, Boyd-Thorpe Associates, will ensure that best value has been achieved in any leasehold disposals.

## Conclusion

27. This tender process has been carried out in line with the City of London Procurement Policy. The City of London received a great deal of interest in the cafés and this interest has allowed the project board and the evaluation panel to consider the bids objectively to ensure the City of London Corporation's Open Spaces Department delivers high quality services to its visitors and users.

## **Background Papers**

November 2015 - Hampstead Heath Consultative Committee - Superintendent's update for November 2015

## **Appendices**

- Appendix 1 – Evaluation Matrix
- Appendix 2 – Scoring Matrix

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**Appendix 1 – Tender Evaluation Matrix**

<b>Caterer Name:</b>	
<b>Assessor Name:</b>	

	<b>Score</b>	<b>Weighting</b>	<b>Weighted Score</b>	<b>Comments</b>
<b>Quality</b>				
Catering Concept		20%	0	
Investment		5%	0	
Menu		15%	0	
Management Structure and Support		5%	0	
Food Safety and Environmental Management		5%	0	
References / experience		5%	0	
<b>Price</b>				
Strength of Business Plan - Sales Forecast and Profit and Loss Account Forecast		15%	0	
Financial Offer - Rental Payment		25%	0	
Financial Offer - Top Up Rent		5%	0	

<b>Total</b>	<b>0</b>	<b>100%</b>	<b>0</b>	
<b>Out of a possible</b>	<b>36</b>	<b>-</b>	<b>80</b>	

## Appendix 2

### Scoring Matrix

Grade	Interpretation	Criteria
0	Unacceptable	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
1	Poor	Response is partially relevant but generally poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate required capability and capacity to undertake the Lease.
2	Adequate	Response meets the requirements of the question is relevant and acceptable. The response provides sufficient evidence of required capability and capacity to undertake the lease but may lack details on how the requirement will be fulfilled in certain areas.
3	Good	Response performs well against the question showing a good level of relevant evidence of capacity and capability to meet the Lease requirements. The response is sufficiently detailed to demonstrate a good understanding and provides the majority of details on how the requirements will be fulfilled.
4	Excellent	Response performs strongly against the question showing substantial evidence of capacity and capability to meet the Lease requirements which is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides full and well considered details of how the requirement will be met.