

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2893

Procurement of Catering and Hospitality Services at the new City Hall

Executive summary:

This Mayoral Decision seeks approval to tender for the supply of catering and hospitality services at City Hall to support the Greater London Authority's (GLA's) relocation to the new City Hall building.

The aim is for a supplier to be appointed on a commercial contract to provide a café open to staff and the public; and a hospitality service to support internal corporate requirements and events held by the GLA, and external events, supporting the commercial hire of City Hall as a venue to external organisations.

It is also proposed to tender separately for the Trafalgar Square Café service, and that the timing for this process be determined by the Executive Director of Resources.

Decision:

That the Mayor:

- i. retrospectively approves the long-term strategy to tender the catering and hospitality services, prior to being let as a commercial contract, to enable these services on relocation to the new City Hall
- ii. approves the services within the scope of this tender, being City Hall Café (London's Kitchen), staff 'tea points' and internal and external hospitality
- iii. approves the separation of the Trafalgar Square Café service from the City Hall catering and hospitality contract
- iv. approves the tendering at a future date for a service provider for Trafalgar Square Café and the subsequent award a contract, the timing and form of such tender to be determined by the Executive Director of Resources.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

8/12/24

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. Catering and hospitality at City Hall (Southwark), was provided by OCS Group UK Limited (OCS). The contract to OCS was awarded in 2016 for six years with the option to extend to a total term of 11 years, under MD1300.
- 1.2. The services previously provided by OCS included:
 - at City Hall (Southwark):
 - management of London's Kitchen for staff, visitors and the general public
 - a full hospitality service, including a silver service when required, for internal and external clients as necessary in any of the GLA's entertainment, meeting, or office spaces
 - provision of tea-point supplies in City Hall (staff floors)
 - production of onsite marketing materials for menu boards, and publication of menus on the intranet
 - at Trafalgar Square:
 - Management of Trafalgar Square Café (general public).
- 1.3. Under the terms of the contract, the GLA did not pay OCS for its services at City Hall or Trafalgar Square. However, OCS did receive a subsidy in kind by having rent-free use of all kitchen space, and they were not subjected to charges such as utility costs, operational overheads or business rates.
- 1.4. The contract terms also required OCS to forecast (in agreement with the GLA) its annual profit, with any additional profit above the forecast being shared 50-50 with the GLA to reinvest back into the service.
- 1.5. OCS requested the termination of its contract in February 2021, due to OCS being unable to continue to provide its services to the GLA on a commercially viable basis. It requested to be released from its obligations under the contract as a result of the requirement to observe COVID-19-related restrictions in 2020 and 2021 on grounds of public health. The contract was terminated by mutual agreement with no economic penalties to the GLA, despite OCS's initial investment in the contract.
- 1.6. Since February 2021, City Hall (Southwark) has been without a catering and hospitality service.
- 1.7. The new contract will be tendered on similar terms: a commercial contract, with the successful supplier putting forward a per cent rebate to the GLA when certain revenue levels are met. Although no direct subsidy will be offered, the GLA will provide subsidy in kind by giving rent-free use of the City Hall kitchen space. In addition, the supplier will not be subjected to charges such as utility costs, operational overheads or business rates.

- 1.8. The proposed contract has an initial term of five years, with options to extend for another three years and then again for a further two years (five plus three plus two).
- 1.9. London's Kitchen was well used by both staff and the public. It is important that a suitable offer is available at the new building to service building users. City Hall hosts regular high-profile events and visits from dignitaries, so it is important that a reliable catering supplier is procured to service these events.
- 1.10. Unfortunately, due to the timescale available prior to inviting tenders, this MD must seek retrospective approval for the tender process ahead of the acceptance of tender and contract award.

2. Objectives and expected outcomes

- 2.1. The main objective is to provide catering for staff, visitors and the general public at the new City Hall. The service provider will provide the following services:
 - management of London's Kitchen so that it is open to staff, visitors and the general public
 - a full hospitality service, including a silver service when required, for internal and external clients, as necessary, in any of the GLA's entertainment, meeting or office spaces
 - provision of tea-point supplies in City Hall (staff floors)
 - production of onsite marketing materials for menu boards, and publication of menus on the intranet.
- 2.2. The café at Trafalgar Square has been omitted from this tender. Market research concluded that the procurement of a catering contract for the Trafalgar Square Café should be undertaken separately. In summary, the market research revealed the following:
 - catering provision on the two sites requires two different catering operators, with limited synergies between the two sites, if operated under one contract
 - Trafalgar Square Café is reliant upon tourism, which is currently restricted in London for the short-to-medium term due to the current global pandemic
 - it would be operationally and commercially prudent to postpone the tender of the Trafalgar Square Café catering contract until future market conditions are more certain.
- 2.3. The decision to approve the timing and tender process for the Trafalgar Square Café at a later date and award a contract to the successful submission is to be delegated to the Executive Director of Resources.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and the GLA are subject to the Public Sector Equality Duty and must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. The “protected characteristics” are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or are connected to a protected characteristic; take steps to meet the different needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without one.
- 3.3. Supplier compliance with Equality and Modern Slavery legislation is a pass/fail on the tender. Suppliers will be asked to supply an Equal Opportunities Policy and a Modern Slavery Action Plan.
- 3.4. The tender will set out that different dietary requirements need to be catered for, including religious and ethical menu options.
- 3.5. The supplier will agree to pay staff the London Living Wage as a minimum.

4. Other considerations

Key risks and issues

- 4.1. The tender will be aligned with the Mayor of London’s ‘London Food Strategy’ and the Mayor’s commitments on matters such as health, climate change, promoting enterprise, diversity and social inclusion, and sustainable procurement.
- 4.2. Facilities Management supports the operation of the GLA's estate and therefore indirectly supports all mayoral strategies and operations.
- 4.3. Key risks are set out in the table below:

Risk	Likelihood	Impact	RAG	Mitigation
Delay in appointment (no service upon occupation)	Low	Medium	Green	Programme in place
Service provider performance	Low	Medium	Green	KPI, rigorous assessment at tender and contract management
Low take-up of services	Low	High	Amber	Flexible operating models to reflect changes in service demand

COVID-19 and associated government restrictions	Medium	High	Red	Flexible operating models to reflect changes in service demand. Look at risk-sharing mechanism.
Food safety and sustainable sourcing	Low	High	Amber	Specification, rigorous assessment at tender and contract management

Consultations and impact assessments

- 4.4. The GLA food policy and sustainability teams have input into the tender document and reviewed standards that the supplier would be expected to meet.

Conflicts of interest

- 4.5. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Retrospective approval is being sought for the procurement and tender for the supply of catering and hospitality services at the new City Hall, for five years with an option to extend for a total of five further years.
- 5.2. Any costs arising relating to 2021-22 will be funded from within the existing Facilities Management budget for 2021-22 and contained with budgets approved for future years (the allocation of which is subject to the annual budget-setting process).

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor concern the GLA's exercise of its powers to do such things considered to further or that are facilitative of, or conducive or incidental to, the discharge of its principal purposes; and, in formulating the proposals in respect of which a decision is sought, officers have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people
- consider how the proposals will promote the improvement of health of persons, and health inequalities between persons; and to contribute towards the achievement of sustainable development in the United Kingdom
- consult with appropriate bodies.

- 6.2 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty – namely, the need to eliminate discrimination, harassment, victimisation and other conduct prohibited by the Equality Act 2010; and to advance equality of

opportunity, and foster good relations, between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

- 6.3. Should the Mayor be minded to make the decisions sought, officers must ensure that: the services and supplies required are procured in accordance with the GLA Contracts and Funding Code, engaging with TfL Procurement to develop and follow an agreed procurement strategy; and appropriate contracts are entered into and executed by the GLA and contractors before the commencement of the works, goods or services required.

7. Planned delivery approach and next steps

- 7.1. The decision retrospectively seeks approval for the tender process, ahead of the contract being awarded to the successful supplier following approval of the decision.

Appendices and supporting papers:

None.

Public access to information	
Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval. If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. Note: This form (Part 1) will either be published within one working day after it has been approved <u>or</u> on the defer date.	
Part 1 - Deferral	
Is the publication of Part 1 of this approval to be deferred? NO	
Part 2 – Sensitive information	
Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication. Is there a part 2 form – NO	
ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following (✓)
Drafting officer: <u>Alexandra Reynolds-Cocroft</u> has drafted this report in accordance with GLA procedures and confirms the following:	✓

Sponsoring Director:

David Gallie has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 6 December 2021. ✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

D. Gallie

Date

6/12/21

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

6/12/21

