

Item 7.

Tender - T-2022-810 - Venue Management Catering Services

File No: X093477.003

Tender No: T-2022-810

Summary

This report provides details of the tenders received for the provision of catering services to the City's landmark venues.

The City's landmark venues, including Sydney Town Hall, Paddington Town Hall, and the Barnet Long Room (Customs House), comprise a number of small, medium and large spaces that are suitable for catered events (galas, cocktails, weddings), live performances, award celebrations and graduations, conferences, meetings and exhibitions.

The venues offer a high degree of flexibility and appeal to a range of clients that includes community groups, not-for-profit organisations, charities and associations, schools and educational institutions, domestic corporate organisations, international conference organisers, live performance promoters, and cultural organisations. They also serve the community through the provision of Civic functions and events, delivered by, for, or on behalf of the Council.

As part of the City's offering, the City provides a catering option through an operator for the supply and delivery of food and beverage (catering) including service delivery (staffing) to events for both internal and external stakeholders.

The existing contract ends 2 July 2024, or the date that a successful tenderer has been appointed and a transition period completed (if required), if before 2 July 2024 (and provided Council has given the caterer at least 60 days prior written notice).

In order to deliver catering services that meet the individual needs of our civic, community and commercial clients, represent value for money, and reflect the high standards, quality and service associated with the City, the City requires a suitably qualified and experienced caterer to provide catering services.

Due to community and Councillor feedback, this tender specifically sought a caterer who could demonstrate their support for the community through the provision of economy / low cost menus, offering of discounted rates for community groups, charities and not-for-profit organisations, and the ability to meet client needs including the provision of authentic or traditional cultural food items (including Aboriginal and Torres Strait Islander suppliers), working with clients sponsors, and providing sustainable food choices.

This report recommends that Council accept the tender offer of Tenderer B for the provision of catering services to the City's landmark venues.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer B for the provision of catering services to the City's landmark venues for the price and contingency outlined in Confidential Attachment A to the subject report for a period of two years, with the option of an extension of three years if the City deems that the supplier's performance is meeting expectations;
- (B) Council note that the total contract sum and contingency for the provision of catering services to the City's landmark venues is outlined in Confidential Attachment A to the subject report, and
- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender.

Attachments

- Attachment A.** Tender Evaluation Summary (Confidential)
- Attachment B.** Price and Schedule of Rates (Confidential)
- Attachment C.** Menus, Product Offering and Pricing (Confidential)

Background

1. The City provides a catering option for its landmark venues through an operator for the supply and delivery of food and beverage (catering) including service delivery (staffing) to events for both internal and external stakeholders.
2. Provision of catering services to the City's landmark venues is currently provided by Compass Group B&I Hospitality Services Pty Ltd (trading as Restaurant Associates) who have been engaged with the City for close to 20 years, having been successful in subsequent competitive tender processes.
3. Since 2020, the contract has been varied due to the impact of the Covid-19 pandemic, which severely impacted ability to trade, and a slow recovery thereafter. This meant the original offer to Council was no longer financially viable for Compass Group B&I Hospitality Services Pty Ltd to deliver and therefore a variation to contract was sought and approved by Council on 28 June 2021.
4. At its meeting on 20 February 2023, Council resolved to approve an exemption from tender and contract variation with Compass Group B&I Hospitality Services Pty Ltd for catering services to extend the contract on existing terms by up to 12 months to 2 July 2024.
5. In light of community and Councillor feedback, this tender specifically sought a caterer who could demonstrate their support for the community through the provision of economy / low cost menus, offering of discounted rates for community groups, charities and not-for-profit organisations, and the ability to meet client needs including the provision of authentic or traditional cultural food items (including Aboriginal and Torres Strait Islander suppliers), working with clients sponsors, and providing sustainable food choices.

Invitation to Tender

6. The Request for Tender was issued on the City's e-tendering portal, Tenderlink, on 1 May 2023. The closing date for submissions was 11am, 2 June 2023.

Tender Submissions

7. Five submissions were received from the following organisations:
 - Compass Group B&I Hospitality Services Pty Ltd trading as Restaurant Associates (ABN 82 089 388 143)
 - Doltone Hospitality Group Pty. Ltd. (ABN 84 636 418 838)
 - Fresh Catering Pty. Ltd. trading as The Fresh Collective (ABN 92 081 900 003)
 - L.F. Catering Pty. Ltd. trading as Laissez-faire Caterer (ABN 88 100 328 710)
 - Trippas White Group Pty. Ltd. (ABN 42 119 225 026)
8. No late submissions were received.

Tender Evaluation

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
11. All submissions were assessed in accordance with the approved stage one evaluation criteria being:
 - (a) Demonstration of your vision for food and beverage services at the Council's venues, including:
 - (i) Approach to service delivery and customer experience.
 - (ii) Unique selling points and points of differentiation.
 - (iii) Sales and marketing strategy.
 - (iv) Operational proposition.
 - (b) Demonstrated capacity and technical ability to deliver your vision for food and beverage services, including:
 - (i) Mechanisms such as quality control.
 - (ii) Food Safety Plan (including HACCP).
 - (iii) Food handling and hygiene.
 - (iv) Alcohol management plans.
 - (v) Proposed Transition-In Plan.
 - (c) Capability to provide competitive food and beverage menus and pricing plans for all key event styles (cocktail, banquet, gala, wedding and conference), including:

- (i) Product offering with sample menus that include:
 - Cocktail and canapes
 - Plated 2, 3, 4 and 5 courses (including breakfast, lunch and dinner)
 - Family style
 - Buffet and activation stations
 - Bar service and Beverage Packages
 - Day Delegate / Conference Packages
 - Separate Morning and Afternoon Tea
 - Any other options or concepts as suggested by the caterer.
 - (ii) Tiered pricing model/s that include Economy (Low-Cost), Standard, Deluxe and Premium price points and demonstrate value for money.
 - (iii) Pricing approach for Council organised events and meetings, including Civic events.
- (d) Demonstrated capability to meet client needs for a range of services including:
- (i) The provision of authentic or traditional cultural food items.
 - (ii) Inclusion of local specialised food and beverage suppliers, often as a stand-alone installation within an event (eg. interactive demonstration, food stall or “pop up”).
 - (iii) Collaboration with celebrity chefs or well-known restaurants.
 - (iv) The inclusion of Aboriginal and Torres Strait Islander suppliers and offerings.
 - (v) Supply of sponsored food or beverage products.
 - (vi) Sustainable product choices including information on product origin, carbon footprint, sustainable waste and packaging options, and ethical business practices.
 - (vii) Low-cost options for community groups, charities and not-for-profit organisations.
- (e) Demonstration of commitment and capability to support clients such as community groups, charities and not-for-profit entities seeking value/low-cost food and beverage options for their event that meet any budget constraints.
- (f) Proposed operations plan to deliver the caterers’ vision and services, including:
- (i) Proposed fit-out or alterations.
 - (ii) Kitchen layout and requirements.
 - (iii) Proposed Fixed Catering Equipment, and Furniture, Fixtures and Equipment to be supplied by the caterer.
- (g) Demonstrated alignment with the Council’s social outcomes including Aboriginal and Torres Strait Islander involvement, sustainable outcomes, fair work, and modern slavery compliance.

- (h) The Financial Offer to Council covering:
 - (i) the primary financial offer, and
 - (ii) the additional financial offer (if any) to Council.
 - (i) Demonstrated commitment to Work Health and Safety, including proposed systems, policies and procedures to ensure the safe delivery of food and beverage services across the Council venues.
 - (j) Financial and commercial trading integrity including insurances.
12. High scoring submissions were shortlisted and assessed in accordance with the approved stage two evaluation criteria being:
- (a) Demonstration (taste test) of vision for Food and Beverage services at the City's venues including:
 - (i) Appearance (quality of visual appearance).
 - (ii) Sensory (taste, smell, texture – in hand and mouth).
 - (iii) Value for money (portion size, visual representation, sensory feeling).
 - (iv) Reflection of and connection to menu.

Performance Measurement

13. Key Performance Indicators were set out in the Request for Tender documentation as detailed below. These were based on the terms and conditions of the proposed contract template that formed part of the Request for Tender.
14. The General Key Performance Indicators are:
- (a) Trained, Efficient and Knowledgeable Staff:
 - (i) Agreed training needs are detailed in the Caterer's Annual Business Plan and recorded in employee training records.
 - (ii) Minimum all staff to have Council and caterer "Employee Orientation" (induction) and caterer base service standards training (basic customer handling course) completed.
 - (iii) Relevant staff to be Responsible Service of Alcohol ("RSA") trained as appropriate.
 - (b) Minimum Hygiene Standards:
 - (i) A Food Safety Plan ("FSP") is in place, based on Hazard Analysis Critical Control Points ("HACCP").
 - (ii) Caterer operates an existing HACCP or accredited plan.

- (iii) Independent FSP audits (1 per annum) are conducted and full results inclusive of annual accreditation is copied to the MPG.
- (c) Menu Offering and Pricing Structure:
- (i) Caterer will develop a range of menus that cater to different service styles and be reviewed at least annually, including:
- Cocktail and canapes;
 - Plated 2, 3, 4 and 5 courses (including breakfast, lunch and dinner);
 - Family style;
 - Buffet and activation stations;
 - Bar service and Beverage packages;
 - Day Delegate/ Conference packages; and
 - Separate Morning and Afternoon tea.
- (ii) Caterer will provide menu pricing at a minimum of four price points including:
- Economy;
 - Standard;
 - Deluxe; and
 - Premium.
- (iii) Prices are benchmarked amongst similar competitor venues and offerings.
- (d) Customer Expectation and Satisfaction:
- (i) Reviewed through Council / caterer formal surveys.
- (ii) Feedback surveys to cover the following as appropriate:
- Speed of service;
 - Quality of product (temperature, presentation, appearance);
 - Variety of product;
 - Availability of product per menu;
 - Menu clarity;
 - Menus to cater to a variety of event types;
 - Customer Service;
 - Staff presentation and appearance;
 - Price represents value for money;
 - Menus are set at a variety of different price points; and
 - Cleanliness of dining and services areas.
- (e) Legislative Compliance with Liquor Licensing:
- (i) as determined by Independent Liquor and Gaming Authority and the Licensing Police – in conjunction with the Council.
- (f) Staffing Ratios:
- (i) Staffing ratios to be agreed according to the service needs and to also reflect service period, e.g. time of day.
- (ii) To be reviewed with the Council as required.

- (iii) These are to be attached to the Caterer's Annual Business Plan.
- (g) Corporate and Commercial Function Revenue:
 - (i) Monthly reports.
- (h) Complaints / Compliments Register:
 - (i) Preparation of database capturing number of and by type of complaint/ compliment.
 - (ii) Customer service comments to be measured through this process and the "register" to illustrate response times and outcomes.
- (i) Communication and Reporting:
 - (i) All reporting and meeting guidelines detailed in this contract and as requested by the Council from time to time is being met as required.
 - (ii) Integration with a shared operating system.
- (j) Innovation and Concept Review:
 - (i) On a regular basis (at least bi-annual) there is a need to review the caterer's concepts, innovation, initiatives and theme in terms of style, quality, and look and feel.
 - (ii) The measurement criteria are as agreed by concept.
- (k) Corporate and Commercial Function Pricing Strategy:
 - (i) Competitive analysis and positioning through regular menu review:
 - Food and non-alcoholic beverage once per annum;
 - Alcoholic Beverages twice per annum (triggered by the Federal Government Excise Duty changes); and
 - Other conferencing costs (e.g. additional staff, RSA, security).
 - (ii) Agree competitive set in accordance to different areas or types of event: weddings, general functions (cocktail receptions, dinners, banquets) and conference / meetings.
 - (iii) In addition, CPI analysis (reference will be the Reserve Bank of Australia's Trimmed Mean Inflation index numbers) to be conducted to ensure relativity and reasonableness in price movements.
- (l) Work, Health and Safety:
 - (i) Caterer must comply with the Council's WHS policy as amended from time to time. The contractor must comply with its safe systems of work including:
 - Injury and incident management;
 - Personal Protective Equipment;
 - Risk assessments;
 - Safe Work methods statements;

- Site Induction and training;
- Personnel inductions;
- Record management;
- Inspection, testing and maintenance; and
- Hazardous chemicals management.

Financial Implications

15. The total contract sum and contingency for the provision of catering services is detailed in Confidential Attachment A.

Relevant Legislation

16. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
17. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
18. Attachments A, B and C contain confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business, and
 - (b) prejudice the commercial position of the person who supplied it.
19. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

20. A contract extension is in place with the current supplier until the earlier of either:
 - (a) 2 July 2024, or
 - (b) the date that a successful tenderer has been appointed and a transition period completed, if required, (provided the Council has given the Caterer at least 60 days prior written notice before the commencement of the transition period in accordance with clause 17.1(a) of the Agreement).
21. A number of existing bookings for catered events are scheduled to occur between August and mid-December 2023. Based on historical business patterns, there are no significant catered events from Mid-December to January inclusive, and catered events resume thereafter.

22. If required, sufficient time has been allowed for both the existing supplier and recommended tenderer to transition out / in respectively, both parties require 60 days notice to prepare.
23. Given the above, and to avoid impact on existing and future events, the City requires the contract with the successful Tenderer be in place no later than 30 November 2023.

Options

24. An alternative option is to engage a caterer on an as-needs basis, either through a panel of caterers or through a contract arrangement whereby the caterer comes to site on an as-needs basis. This option is not recommended because it lowers the City's control over standards and has a higher potential for inconsistency, increases the coordination workload and creates operational difficulties due to bump-in/out requirements. It also creates an increased likelihood for the City to outlay capital to purchase operating equipment, and demonstrates a reduced financial offer to the City with unpredictable revenue streams.

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