



CITY OF BAYSWATER

UNDER SEPARATE COVER

FOR THE ORDINARY COUNCIL MEETING

7 April 2020

**Item 10.4.6 Tender No. 14-2019 Catering for Council and Committee
Meals and Related Services**



10.4.6 Tender No. 14-2019 Catering for Council and Committee Meals and Related Services

Responsible Branch:	Community Development	
Responsible Directorate:	Community and Development	
Authority/Discretion:	<input type="checkbox"/> Advocacy <input checked="" type="checkbox"/> Executive/Strategic <input type="checkbox"/> Legislative	<input type="checkbox"/> Review <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes
Voting Requirement:	Simple Majority Required	
Attachments:	Confidential Attachment(s) 1. Catering Services Pricing Evaluation 2. Qualitative Assessment	
Refer:	Item 10.4.13: OCM 24.03.2020 Item 5.3: OCM 30.01 2018 Item 16.4: OCM 16.12.2016	

Confidential Attachment in accordance with Section 5.32(2) of the Local Government Act 1995 - a matter that if disclosed, would reveal -

- (i) a trade secret;
- (ii) information that has a commercial value to a person; or
- (iii) information about the business, professional, commercial or financial affairs of a person.

SUMMARY

For Council to assess and award Tender No.14-2019 catering for Council and Committee meals and related services in accordance with the tender specification.

OFFICER'S RECOMMENDATION

That Council awards Tender No. 14-2019 Catering for Council and Committee Meals and Related Services in the following three categories, for a three-year period with two options for extension of one year each, in accordance with the relevant specifications:

1. **Category A - Council and Committee Meals: Epic Catering.**
2. **Category B - Civic Functions: Acclaimed Catering.**
3. **Category C – Platters for Meetings: Epic Catering.**

BACKGROUND

In November 2019, the City advertised Tender 14-2019 Catering for Council and Committee Meals and Related Services on Tenderlink and in The West Australian newspaper.

The tender was in three separable portions (categories):

1. Category A - Council and Committee Meals, which are buffet style hot meals with most preparation done on site in the Civic Centre kitchen area, which is adjacent to the Councillor's lounge. A key requirement for this category is the ability to commit to the meeting schedule for the year.
2. Category B - Civic Functions 'finger food' for citizenship ceremonies and other City business / internal functions and events from time to time. A key requirement for this category is the provision of suitably trained wait staff.
3. Category C – Platters of sandwiches, fruit and muffins which are delivered to the Civic Centre and occasionally other centres in the City for training sessions and other such activities, briefings or meetings.

Tenders closed on 20 December 2019, and six submissions were received as follows:

Category A - Council and Committee Meals

1. Acclaimed Catering;
2. Epic Catering;
3. Fresh Convenience Catering; and
4. Temptations Catering.

Category B - Civic Functions

1. Acclaimed Catering
2. Epic Catering
3. Impressions Catering
4. Fresh Convenience Catering
5. Temptations Catering

Category C – Platters for meetings

1. Acclaimed Catering
2. Epic Catering
3. Fresh Convenience Catering
4. Temptations Catering
5. Workpower Incorporated*

*Workpower is a registered Australian Disability Enterprise

At the Ordinary Council Meeting on 24 March, 2020, Council resolved to defer the item to the Ordinary Council Meeting of 7 April, 2020.

OFFICER'S COMMENTS

In December 2016, Council considered a motion to replace full meals with light snacks when the catering contract of the time ended. In considering the motion, it was resolved that Council considers the inclusion of funding in the 2017/18 budget development to upgrade the civic centre kitchen and employ a permanent caterer/cook for any Council meetings.

The costs associated with employing a permanent caterer/cook, including associated equipment upgrades, was duly explored by staff and in January 2018, Council resolved to continue the outsourcing of catering for Council meetings and workshops.

The City has had successive contracts in place with Acclaimed Catering for the Council and Committee meals since the 2014/15 financial year and the most recent contract ran until December 2019. An interim arrangement was made with Acclaimed Catering for the continuation of the provision of Council Meeting meals pending the awarding of the new contract, which resulted in an extension of their services until 31 March 2020. Quotations have been obtained on an 'as required' basis for the other catering requirements, pending a more formal arrangement.

Tender Timeframes to be Considered by Council in Decision Making

The prices provided by each Tenderer are valid for 45 days from the date the first Council resolution was made on 24 March 2020, albeit the decision was to defer the item until the Ordinary Council Meeting of 7 April 2020. If Council were to further defer the matter beyond 9 May 2020, the prices listed on the tender submissions will no longer be valid and would therefore

lapse, requiring a new tender process to be undertaken.

Section 1.11.4 of the Request for Tender document states “*The Principal is not bound to accept the lowest Tender and may reject any or all Tenders*”. Based on this clause, Council is not obligated to appoint the contract to any of the current tenderers.

In not appointing a current Tenderer due to the impacts on the City’s ‘business as usual’ caused by the COVID-19 pandemic, the City could endeavor to utilise the services of local suppliers as much as possible over the course of the next six months for any meals required. This however, is considered to pose a community and stakeholder risk to the City, as current Tenderers have spent the time to make submission to the City in response to the Request for Tender and there is an expectation that the process will be followed through accordingly by the City. It is a fair assumption that the current Tenderers are expecting for Council to make a decision based on the fair assessment of the submissions made, as the tenderer/s appointed would then have security of contractual arrangements with the City for the next three years.

It is acknowledged that circumstances and catering needs, as required for the City have changed significantly with the ever changing COVID-19 situation. Notwithstanding the change in circumstances, Council should take into account that a fair process has already been undertaken for the current request for Tender, therefore it is advisable that Council appoint an existing Tenderer rather than having to potentially repeat the Tender process again in six months’ time. This would provide security for the Tenderer/s into the future once the City resumes its normal civic activities and functions where catering is required. Until such time when the City resumes its normal civic activities and functions, the engagement of any Tenderer/s appointed through this Tender process would be limited and would therefore only be used as required. Alternatively, Council may choose to not appoint Tenderer/s based on the current impacts of COVID-19 on City business and repeat the process at a later time in the year albeit undertaking a tender process is administratively heavy.

Council should note that the engagement of catering services over the course of approximately the next six months, will be limited due to most meetings and other civic arrangements being planned to occur online from 31 March 2020.

Council are presented with three Options to consider in regard to catering services under the Options section of this report.

Request for Tender Assessment Outcomes

The tender called in November 2019 was for a three-year contract period, with two options for extension of one year each, to give a total potential contract period of five years subject to satisfactory performance and the City’s requirements at the time.

All tenderers indicated that they do not have any conflicts of interest in the performance of their obligations under the contract.

The tender evaluation panel consisted of the Coordinator of Events, Manager Community Development and Manager Governance.

The panel noted that the price review mechanism for Acclaimed Catering is CPI, whereas Epic Catering would seek a 3% increase per year. The annual adjustment mechanism would not have any significant bearing on the overall contract costs. The price review mechanisms for all tender submissions are detailed in **Attachment 1**. The qualitative assessment including comments for all tender submissions within each category are detailed in **Attachment 2**.

The tenders were evaluated in accordance with the following criteria:

ITEM	DESCRIPTION	WEIGHTING
1	Menu quality with seasonal changes	15%
2	Skills and methodology (including training, certification and compliance with the City's 'single use plastic' policy.	15%
3	Price	70%

Each category was evaluated separately to reflect the specific requirements. Major events such as the Early Settlers function are outside the scope of the tender as they are quoted as the need arises. Each category was based on large and small functions and the pricing scoring was based on the weighted average price per head. Category B was also split into two parts for the purpose of costing, due to the slightly different nature of civic functions to other City business/ internal functions. The catering services evaluation is detailed in **Attachment 2**.

The conforming submissions received were all considered professional, and satisfied the City's Occupational Health and Safety requirements, addressed the qualitative criteria and demonstrated the ability to provide the City with the required services.

It is considered practicable to award the contract to several companies, as each category represents a specific type of catering.

Category A: Council and Committee Meals

This category is for the scheduled Council and Committee meetings for the year.

TENDERER	Prices (ex GST) 70%	Menu quality with seasonal changes 15%	Skills methodology and training, certification and compliance with the City's 'single use plastic' policy. 15%	TOTAL SCORE (100%)
Epic Catering	70%	15%	9%	94%
Acclaimed Catering	60%	15%	15%	90%
Temptations Catering	58%	15%	15%	88%
Fresh Convenience	51%	12%	6%	69%

Acclaimed Catering has been the City's contractor for Council and Committee meals since the 2014/2015 financial year. However, Epic Catering achieved the highest overall score in this category, mainly due to the price per head which is \$50.50 per head on average, compared to Acclaimed Caterings' price of \$59.00 per head for comparable menu offerings. While the 'per head' comparison basis is not significant, it would make a difference over the term of the contract due to the frequency of meetings. For example, if an average of 16 attendees per meeting was applied, the cost difference per annum would be in the order of \$3,500 per annum.

Epic Catering has a contract with the City of Wanneroo; services other local government organisations; has demonstrated a good understanding of the contract requirements; and has extensive commercial catering experience including large functions.

It is noted that Epic Catering has only been in operation for some twelve months, however the business owner has approximately 20 years' experience in the industry. Due diligence checks have not revealed any concerns regarding the company's financial capacity to meet the requirements.

Category B: Civic Functions

Part One – Civic Functions (Citizenship ceremonies and the like)

This category comprises two parts, but is assessed as one category. Part One is for civic functions and Part Two is for other City business/ internal functions, as per the City policy on recognising long-term employees. The price per head includes the wait staff.

TENDERER	Prices 70%	Menu quality with seasonal changes 15%	Skills and methodology (including training, certification and compliance with the City's 'single use plastic' policy. 15%	TOTAL SCORE (100%)
Acclaimed Catering	70%	15%	15%	100%
Epic Catering	46%	9%	9%	64%
Temptations Catering	30%	12%	15%	57%
Impressions Catering	18%	15%	9%	42%
Fresh Convenience	23%	9%	6%	38%

There is no current contract for functions of this nature, and quotes for civic functions are sourced according to the specific requirements of each event. Acclaimed Catering achieved the highest overall score in this category by a significant margin, and its cost of head of \$9.90 is considered to be sustainable over the term of the contract. For comparison, the current price provided by Acclaimed Catering is approximately \$9.00 per head for Citizenship ceremonies.

TENDERER	Prices 70%	Menu quality with seasonal changes 15%	Skills and methodology (including training, certification and compliance with the City's 'single use plastic' policy. 15%	TOTAL SCORE (100%)
Epic Catering	70%	9%	9%	88%
Acclaimed Catering	57%	15%	15%	87%
Temptations	36%	12%	15%	63%

Catering				
Fresh Convenience	35%	9%	6%	50%
Impressions Catering	18%	15%	9%	42%

Once again, there is no current contract for functions of this nature, and quotes for other City business/ internal functions are sourced according to the specific requirements of each event. Epic Catering's average price of \$15.00 per head is less than that of Acclaimed Catering. The wait staff requirements have all been met and Epic catering has demonstrated extensive experience in this category of catering.

Acclaimed Catering's price is \$18.50 per head, however the number of such functions per year is not significant and while it is acknowledged that Epic Catering achieved the highest overall score for Part Two, the sum of the scores for both Part One and Part Two result in Acclaimed Catering's submission scoring higher overall for Category B.

Category B: Civic Functions and Other City Business/ Internal Functions - Combined

The table below details the combined score for Category B for each submitting catering company.

The combined score is made up of the overall scores received for Category B - part one (civic functions) and Category B - part two (other City business/ Internal functions). This table demonstrates Acclaimed Catering's submission scoring higher, as a combined score for this category.

TENDERER	Prices 70%	Menu quality with seasonal changes 15%	Skills and methodology (including training, certification and compliance with the City's 'single use plastic' policy. 15%	TOTAL SCORE (100%)
Acclaimed Catering	64%	15%	15%	94%
Epic Catering	58%	9%	9%	76%
Temptations Catering	33%	12%	15%	60%
Impressions Catering	18%	15%	9%	42%
Fresh Convenience	29%	9%	6%	44%

Category C: Platters for Meetings

This category is for management meetings, in-service training, group workshops and other similar activities.

TENDERER	Prices 70%	Menu quality with seasonal changes 15%	Skills and methodology (including training, certification and compliance with the City's 'single use plastic' policy. 15%	TOTAL SCORE (100%)
Epic Catering	70%	9%	9%	88%
Acclaimed Catering	29%	12%	15%	56%
Temptations Catering	30%	9%	15%	54%
Workpower Incorporated	36%	9%	6%	51%
Fresh Convenience	30%	6%	6%	42%

Of the submissions received, Epic Catering scored significantly higher than the other tenders, mainly due to the price difference. Epic Catering's average price per head is \$7.75, and the next price range is \$15.00 per head from Workpower Incorporated. The business owner of Epic Catering has previously provided catering to the City of Bayswater under a previous business (Revolution Catering) and the quality and variety has been satisfactory.

Council may wish to note that Workpower Incorporated is a registered Australian Disability Enterprise (ADE), and the City's Procurement Policy provides for ADE's to be provided with fair opportunity to tender for the City's work. On balance, the cost difference would be too significant. However, the City will continue to work with the ADE's to identify other tendering opportunities.

LEGISLATIVE COMPLIANCE

Not applicable.

OPTIONS

In accordance with the City's Risk Management Framework, the following options have been assessed against the City's adopted risk tolerance. Comments are provided against each of the risk categories.

Option 1	<p>That Council awards Tender No. 14-2019 Catering for Council and Committee Meals and Related Services in the following three categories, for a three-year period with two options for extension of one year each, in accordance with the relevant specifications:</p> <ol style="list-style-type: none"> Category A - Council and Committee Meals: Epic Catering. Category B - Civic Functions: Acclaimed Catering. Category C – Platters for Meetings: Epic Catering. 	
Risk Category	Adopted Risk Appetite	Risk Assessment Outcome
Strategic Direction	Moderate	Low
Reputation	Low	Low
Governance	Low	Low
Community and Stakeholder	Moderate	Moderate
Financial Management	Low	Low
Environmental Responsibility	Low	Low
Service Delivery	Low	Low
Organisational Health and Safety	Low	Low
Conclusion	<p>As all Tenderers are assessed according to set criteria, this option is considered to pose the lowest risk to the City. As the City has engaged Acclaimed Catering for its Council and Committee meals since the 2014/15 financial year, there is a moderate risk that they will feel disappointed with the outcome as recommended above.</p>	

Option 2	<p>That Council awards Tender No. 14-2019 for Catering of Council and Committee Meals and Related Services in the following three categories, for a three-year period with two options for extension of one year each, in accordance with the relevant specifications:</p> <ol style="list-style-type: none"> Category A - Council and Committee Meals: Other tenderer(s) as determined by Council. Category B - Civic Functions: Other tenderer(s) as determined by Council. Category C – Platters for meetings: Other tenderer(s) as determined by Council. 	
Risk Category	Adopted Risk Appetite	Risk Assessment Outcome
Strategic Direction	Moderate	Low
Reputation	Low	Moderate
Governance	Low	High
Community and Stakeholder	Moderate	Moderate
Financial Management	Low	Low
Environmental Responsibility	Low	Low
Service Delivery	Low	Moderate
Organisational Health and Safety	Low	Low
Conclusion	<p>The City has assessed the Tender submissions according to the set criteria and also completed appropriate due diligence. To that end, this option is considered to be of high governance risk, as Council could potentially appoint the contract to a tenderer who scored lower than the ones recommended upon assessment of the set criteria. This is not considered best practice and may pose a moderate reputational, community and stakeholder and service delivery risk to the City.</p>	

Option 3	<p>That Council does not award the Tender to any current Tenderer and requests the Chief Executive Officer to:</p> <ol style="list-style-type: none"> 1. Write to the current Tenderers to thank them and provide information on Council's decision to not award the Catering Tender given the change in circumstances due to the COVID-19 pandemic. 2. Undertake a Catering Request for Tender process in September 2020 and provide a report to Council to appoint Tenderer/s. 3. Utilise the services of local catering suppliers as much as possible and as required until such time as a Tender contract is awarded in the future. 	
Risk Category	Adopted Risk Appetite	Risk Assessment Outcome
Strategic Direction	Moderate	Low
Reputation	Low	Moderate
Governance	Low	High
Community and Stakeholder	Moderate	High
Financial Management	Low	Low
Environmental Responsibility	Low	Low
Service Delivery	Low	Low
Organisational Health and Safety	Low	Low
Conclusion	<p>It should be noted that the current Tenderers have spent the time making submissions to the City and due to the impacts of the COVID-19 pandemic may be, more than ever seeking contractual security into the future. To that end, this option is considered to be of high governance and Community and Stakeholder risk, as current Tenderers may feel that is this not a fair outcome. As this option is not considered best practice, albeit the ever changing COVID-19 situation, it may pose a moderate reputational risk to the City.</p>	

FINANCIAL IMPLICATIONS

The following financial implications are applicable:

Item 1: Catering for Council and Committee meetings, Civic functions, meetings and the like.

Asset Category: N/A **Source of Municipal Funds:**

LTFP Impacts: Item is not listed on the City's Long-Term Financial Plan.

Notes: Nil

ITEM NO.	CAPITAL / UPFRONT COSTS (\$)	ONGOING COSTS (\$)		INCOME (\$)	ASSET LIFE (YEARS)	WHOLE OF LIFE COSTS (\$)	CURRENT BUDGET (\$)
		MATERIALS & CONTRACT	STAFFING				
1	\$0	\$137,700	Staffing requirements vary according to each catered event/ function. Cost is absorbed through staff annual wages.	N/A	N/A	N/A	\$137,700

STRATEGIC IMPLICATIONS

In accordance with the City of Bayswater Strategic Community Plan 2017-2027 (as amended), the following applies:

Theme: Leadership and Governance
Aspiration: Open, accountable and responsive service
Outcome L1: Accountable and good governance

Appointing the catering services tender as per the completed assessment against the set criteria would ensure that accountable and good governance is undertaken.

CONCLUSION

The submissions made by Acclaimed Catering and Epic Catering have demonstrated the best overall value for delivering on the City's requirements under contract. Acclaimed catering has been the City's caterer since the 2014/15 financial year. Epic Catering is a relatively new company and appropriate due diligence has been undertaken. Their contract with the City of Wanneroo and services to other local government organisations have operated successfully and they have extensive experience in commercial catering.

The other submissions do not offer any cost or quality advantages; however, it is acknowledged that Workpower Incorporated is a registered Australian Disability Enterprise (ADE) and the City will continue to work with the ADE's to identify future business opportunities.

It is recommended that Tender No. 14-2019 for Catering for Council and Committee Meals be awarded to Epic Catering for Categories A and C, and Acclaimed Catering for Category B.