

**DMPC Decision – PCD 1061****Title: Catering Contract Extension****Executive Summary:**

This decision seeks approval for the extension of the current catering contract for a period of six months at a value of upto £1,492,000. The services provided under the contract are detainee feeding, operational feeding for officers on significant events, and catering services in a number of police buildings. The extension provides further time to assess the catering market and changes to the occupancy of buildings and footfall at catering facilities following the pandemic.

**Recommendation:**

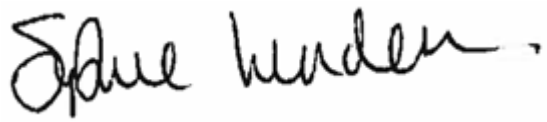
The Deputy Mayor for Policing and Crime is recommended to:

1. Approve to extend the current catering contract with Elinor for six months from 01 April 2022 until 30 September 2022 with a total value uplift of £1,492,000 for the 6 month period

**Deputy Mayor for Policing and Crime**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature 

Date 17/11/2021

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **1. Introduction and background**

- 1.1. The current contract was awarded with effect from April 2017, and extended for 2 years until April 2022. The contract covers the provision of detainee feeding, operational feeding for officers at significant events, and catering at police buildings.
- 1.2. This extension is sought to provide additional time to assess the uncertainty in the catering market and the impact that Covid has had on occupancy at police buildings and the footfall and usage at the catering services.

### **2. Issues for consideration**

- 2.1. There is a legislative requirement to continue to provide meals to detainees, and an operational requirement to support public order policing with catering for planned and unplanned events.
- 2.2. A six month extension of the current contract with amendments to the catering offer in police buildings is recommended in order to provide the time to procure the longer term provision of this service with a more robust market and greater certainty as to demand.
- 2.3. If the contract is not extended or a new contract tendered, then contractually all existing catering staff would revert to the MPS in April 2022.
- 2.4. The proposal includes a programme of redundancy of Elioir staff at cost to the Metropolitan Police Service (MPS). Further information is contained in the restricted section of the report.
- 2.5. The Metropolitan Police Federation and staff unions have been updated on the proposals and are supportive of the recommendations.

### **3. Financial Comments**

- 3.1. The estimated cost of the six month extension for the period from April 2022 to September 2022 is £1,492,000 which can be met from within existing Metropolitan Police Service (MPS) budgets.

### **4. Legal Comments**

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of, and modifications to, public contracts for goods and/or services valued at £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.

- 4.2. The Met assure that the proposed extension is allowable under the Public Contracts Regulations.
- 4.3. Under paragraph 4.13 of the Scheme of Delegation and Consent the Deputy Mayor for Policing and Crime has delegated authority “To approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months”
- 4.4. Further information is contained in the restricted section of the report.

## **5. Commercial Issues**

- 5.1. This service provides catering for detainees, feeding of police officers during significant planned and unplanned operational events, and the catering facilities at a number of police buildings.
- 5.2. The previously approved contract which is the basis for this extension required that the London Living Wage (LLW) will continue to be paid to all catering staff working on MPS sites.
- 5.3. Further information is contained in the restricted section of the report.

## **6. GDPR and Data Privacy**

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that this proposal does not use personally identifiable data of members of the public, so there are no current GDPR issues to be considered.

## **7. Equality Comments**

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. MPS assure that having undertaken an equality screening exercise that no positive or negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.

## **8. Background/supporting papers**

- Appendix 1 MPS report MPS – Elinor Contract Extension 1st April – 30th September 2022

**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 MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION	<i>Tick to confirm statement (✓)</i>
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Equalities Advice:</b> Equality and diversity issues are covered in the body of the report.	✓
<b>Commercial Issues</b> Commercial issues are covered in the body of the report.	✓
<b>GDPR/Data Privacy</b> GDPR compliance issues are covered in the body of the report.	✓
<b>Drafting Officer</b> Alex Anderson has drafted this report in accordance with MOPAC procedures.	✓
<b>Director/Head of Service:</b> The MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓

**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

**Signature**

*Manakucherd.*

**Date 9/11/2021**



MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME

## **MPS – Elior Contract Extension 1<sup>st</sup> April – 30<sup>th</sup> September 2022**

### **MOPAC Investment Advisory & Monitoring meeting 7<sup>th</sup> October 2021**

**Report by Susanna Dee and Craig Spencer on behalf of the Chief of Corporate Services**

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

#### ***EXECUTIVE SUMMARY***

This paper seeks to extend the current catering contract with Elior for 6 months, 1<sup>st</sup> April to 30<sup>th</sup> September 2022. This is required to run and complete a full procurement exercise to procure a catering service provider in the current climate. The model was confirmed in December 2020, and the 6 month extension is needed to complete the procurement for a new catering contract.

The catering contract covers delivering the following services: Four catering sites, vending, hospitality, detainee feeding and operational feeding. Detainee Feeding and Operational Feeding are critical services from a legal and welfare stance so continuity is imperative.

Management Board asked for an intensive and innovative procurement process to give the best service without the need for subsidy payments by the Authority. However, the impact of Covid19 upon both MPS working patterns/ building occupancy and the catering market, coupled with anticipated approaches to blended working in the future, has made it very difficult to accurately assess medium to longer term requirements. More time is required to complete the procurement whilst the market starts to recover.

#### **Recommendations**

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

- 1. Approve to extend the current catering contract with Elior for six months from 01 April 2022 until 30 September 2022 - Total value uplift of £1.492m for the 6 month period**

#### **Time sensitivity**

A decision is required from the Deputy Mayor by the end of 31<sup>st</sup> October 2021. This is to complete a redundancy programme in time for the April 2022 extension timeline. The current contract expires in April 2022.

## **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

It should be noted that if a new contract is not tendered, or if the current one not extended, then contractually all existing catering staff would revert to the MPS in April 2022.

### **Introduction and background**

1. The Catering Client Services team within Operational Support Services (MO11) oversees the delivery of the 1<sup>st</sup> Generation Catering Services to the MPS, which is currently delivered by the outsourced provider Elinor and commenced in April 2017. The 1<sup>st</sup> Generation Catering contract was extended for a further 2 years until April 2022, which was approved by PIB and IAM in November 2019. The scope of the catering contract covers delivering the following services: Four catering sites, vending, hospitality, detainee feeding and operational feeding. Detainee Feeding and Operational Feeding are critical services from a legal and welfare stance so continuity is imperative.
2. COVID has resulted in a loss of footfall and sales across all staff catering sites which has provided commercial and financial challenges. To note, with the unknown blended working patterns it is not possible to gauge the level of demand at the sites. In pre-COVID times with 'normal' footfall only two sites were profitable, New Scotland Yard (NSY) and Hendon. Hendon due to a captive audience of recruits who weren't able to leave Hendon for breaks, and NSY which had a smaller catering labour force against sales.
3. The proposed option is to extend the current catering contract with Elinor for six months from 01 April 2022 until 30 September 2022. Other options have been considered fully and are detailed in Part 2.
4. There are fixed costs for operational feeding which include: Operational administrative role supporting MO6, a driver, provision of an out of hours on-call team, vehicle costs and insurance. These are included in the subsidy, c£54k for the 6 month extension. This covers fixed costs only, with additional labour costs being recovered in the tariff charges per snack/drink. To allow us to cover for the following events, it should be noted that the Business Continuity Plan, self-claim on PSOP, only covers 80% of events, and does not allow for large scale planned and unplanned feeding. This means it does not cover:
  - Large spontaneous events such as CT incidents, or Major Incidents such as Grenfell
  - Notting Hill Carnival
  - Bridges
  - Extinction Rebellion

- New Year's Eve
  - Certain other events where officers may not be able to access somewhere to purchase items e.g. certain protests or ceremonial events.
5. It should be noted the aspiration still remains for nil subsidy for the extension for the staff catering element. The subsidy figures provided by Elinor are based on June 2021 sales figures as they were the highest since March 2020. There is an expectation there will be a reduction in subsidy as sales pick up. COVID has resulted in loss of footfall and sales across all catering sites which has provided commercial and financial challenges. To note, with the unknown blended working patterns it is not possible to gauge the level of demand at the sites. It should be noted that in pre-COVID times with 'normal' footfall only two sites were profitable, NSY and Hendon. Hendon due to a captive audience of recruits who weren't able to leave Hendon for breaks, and NSY which had a smaller catering labour force against sales.

#### **Issues for consideration**

6. It should be noted that if a new contract is not tendered, or if the current one not extended, then contractually all existing catering staff would revert to the MPS in April 2022. Consultation with the Federation and Unions is due in October 2021. It should be noted that the Fed/Supt. and TU Tier 1 meetings have been kept updated throughout the catering procurement programme and have been supportive in the recommendations.
7. Supports the delivery of operational feeding and detainee feeding as detailed below.

#### **Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>**

8. Supports front line policing by way of operational feeding for both planned and unplanned events.
9. Supports the delivery of detainee feeding which is a legal requirement under PACE (Police and Criminal Evidence Act 1984).

#### **Financial Comments**

10. The costs of the recommended option are fully funded within existing budgets. More information is contained in the restricted section of the report.

#### **Commercial and Procurement Comments**

11. Catering falls under the Light Touch Regime (LTR) procedure of Public Contracts Regulations 2015 (Annex A).  
To ensure compliance with Public Procurement Regulations (2015) a Transparency notice will be issued, publishing details of this contract extension and value uplift in the public domain

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<sup>1</sup> Police and crime plan: a safer city for all Londoners | London City Hall



Given the impact of covid, to enable a re-procurement exercise of the future services there is a requirement to extend the current contract.

### **Legal Comments**

12. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of, and modifications to, public contracts for goods and/or services valued at £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold. Regulation 72 permits MOPAC to modify a contract in limited circumstances. Specifically, regulation 72(1)(b) provides MOPAC may modify a contract where: (1) it is not possible to change contractor due to technical or economic reasons, and (2) to change contractor would cause MOPAC to suffer significant inconvenience or substantial costs duplication. The variation shall be limited to no more than 50% of the value of the original contract. Under paragraph 4.14 of the Scheme the Deputy Mayor for Policing and Crime reserves the right to call in all variations and extensions to contracts with an original value of £500,000 or above.

Under regulation 72(2) several successive modifications may be made to a contract provided the 50% limitation imposed under 72(1)(b) shall apply to the value of each modification and the modification is not to circumvent the procurement rules. The nature of the services are such that it would not be technically convenient or practical for MOPAC to operate two separate contracted services without the potential for either significant duplication or gaps in those services. It would not be feasible to interoperate services. Further, managing and enforcing contractual rights, either commercially or legally, against either supplier would be made more extremely complicated in light of any compatibility and interoperability of services issues. The value of the proposed variation is below 50% of the original contract value. It would not be possible to change contractor due to technical/economic reasons and to change would cause MOPAC to suffer significant inconvenience/substantial costs duplication.

### **Equality Comments**

13. This business case has undergone initial equality screening. Due regard has been taken to the Equality Act's Public Sector Equality Duty. Real consideration has been taken to assess equality impact caused by the proposed business changes. As a result no positive or negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.

### **Privacy Comments**

14. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

15. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
16. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
17. The programme does not use currently personally identifiable data of members of the public, so there are no current GDPR issues to be considered. If the programme uses personally identifiable data of members of the public at a later date DPIAs will be completed as needed.

### **Real Estate Implications**

18. This information is contained in the restricted section of the report.

### **Environmental Implications**

19. There is no impact.

### **Background/supporting papers**

20. None.

### **Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Catering Contract Extension is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011
- The relevant sections under the FOIA that would exempt this information from disclosure is the Commercial Interest Section 43

The paper will cease to be exempt until October 2023.