CHAPTER 12 - CATERING RETAIL AND LEISURE MANAGEMENT

1201. **Introduction.** Catering Retail and Leisure (CRL) are elements of Soft Facilities Management (FM) services which may be delivered under a variety of contract types (e.g. MAC, PFI). This chapter should be read in conjunction with Service specific publications.

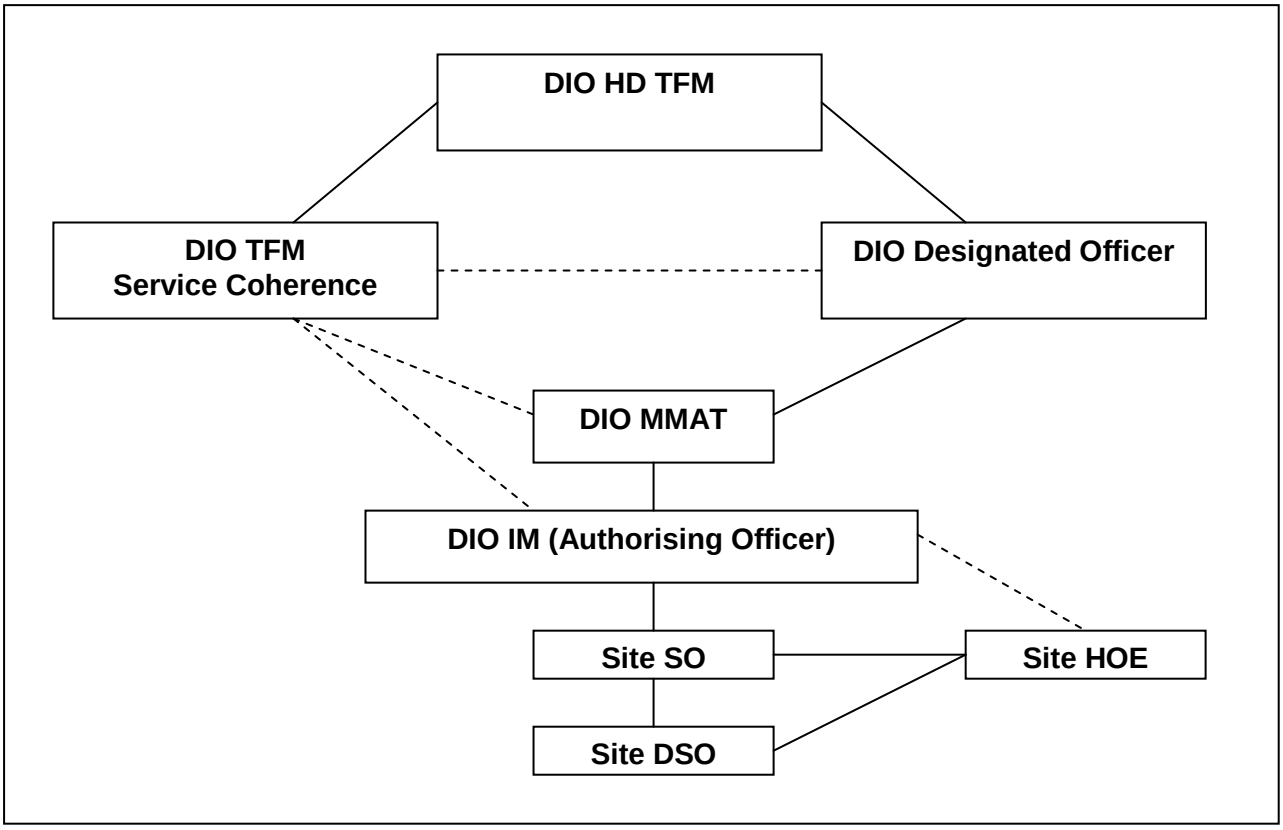
For the Naval Bases, CRL is operated under a separate contract which is maintained by NCHQ. The underlying principals of CRL management within the Naval Bases can be found in Annex A.

For the RAF, CRL is, in the main, operated under the standalone Super CRL (SCRL) contract and also the 38 Gp CRL contract with only 4 units (Halton/High Wycombe and Wyton/Henlow) where CRL is an integral part of a MAC.

1202. It is essential that a robust and established management structure is in place at the commencement of the CRL process, both from the Authority and the Industry Partner (IP).

1203. **The Roles and Responsibilities Structure for DIO Soft Facilities Management (FM) Contracts.** There are a wide variety of contractual arrangements for the delivery of Soft FM services across the Defence Estate and a common overarching contract management structure is needed to drive standardisation and shape the delivery of Soft FM to align with the future HESTIA strategy. The following generic roles and responsibilities will apply to the management of all DIO Soft FM contracts. A diagrammatic overview of this management structure is set-out below at Table 12.1.

Table 12.1
Soft FM Contract Management Model



1204. **Definition of roles and responsibilities.** The DIO Soft FM management structure is managed on a regional basis. In most cases each of the DIO Infrastructure Managers (IMs) (C2s) will report direct to B2/C1 Hard FM Line Manager. The IMs are located within the DIO Service Delivery Areas (SDA).

SOFT FM MONITORING AND ASSURANCE TEAM

1205. **Designated Officer (DO).** The DO is a DIO B1 Service Delivery role, functionally responsible to the DIO Head of Total FM for managing the Authority/IP relationship for DIO Soft FM contracts. The DO is to:

a. The DO is accountable for the delivery of contracted services, and all aspects of managing the Authority/IP relationship. The key role is to ensure that management arrangements and performance review systems are in place, and are being carried out in accordance with the contract.

b. In conjunction with the relevant user, cultivate, enable, and optimise the partnering relationship between the Authority and the IP.

c. Maintain good situational awareness of the performance of each designated Soft FM contract; this should include an overview of the cumulative changes and associated financial impact concerning all designated Soft FM contracts.

d. Ensure members of the regional MMAT and IMs are appropriately resourced, trained, and line managed.

e. In conjunction with the relevant TLB User interface, IMs, and IPs manage dispute resolution.

f. To chair 6 Monthly Soft FM Meetings.

1206. **DIO Soft FM SO2 Services/Food Services.** Provide technical expertise and advice throughout the life of the contract. They are the Catering Subject Matter Expert (SME) in the following areas:

a. Core Catering Manpower (CCM) and all issues relating to Military Manpower

b. Core Menu

c. Food Standards

d. Nutritional Standards

e. Food Safety Standards

1207. **DIO Commercial Branch.** The authority for managing all contractual aspects of the Soft FM contracts and is to undertake the following:

a. Undertake significant commercial training before being granted delegated authority to perform duties.

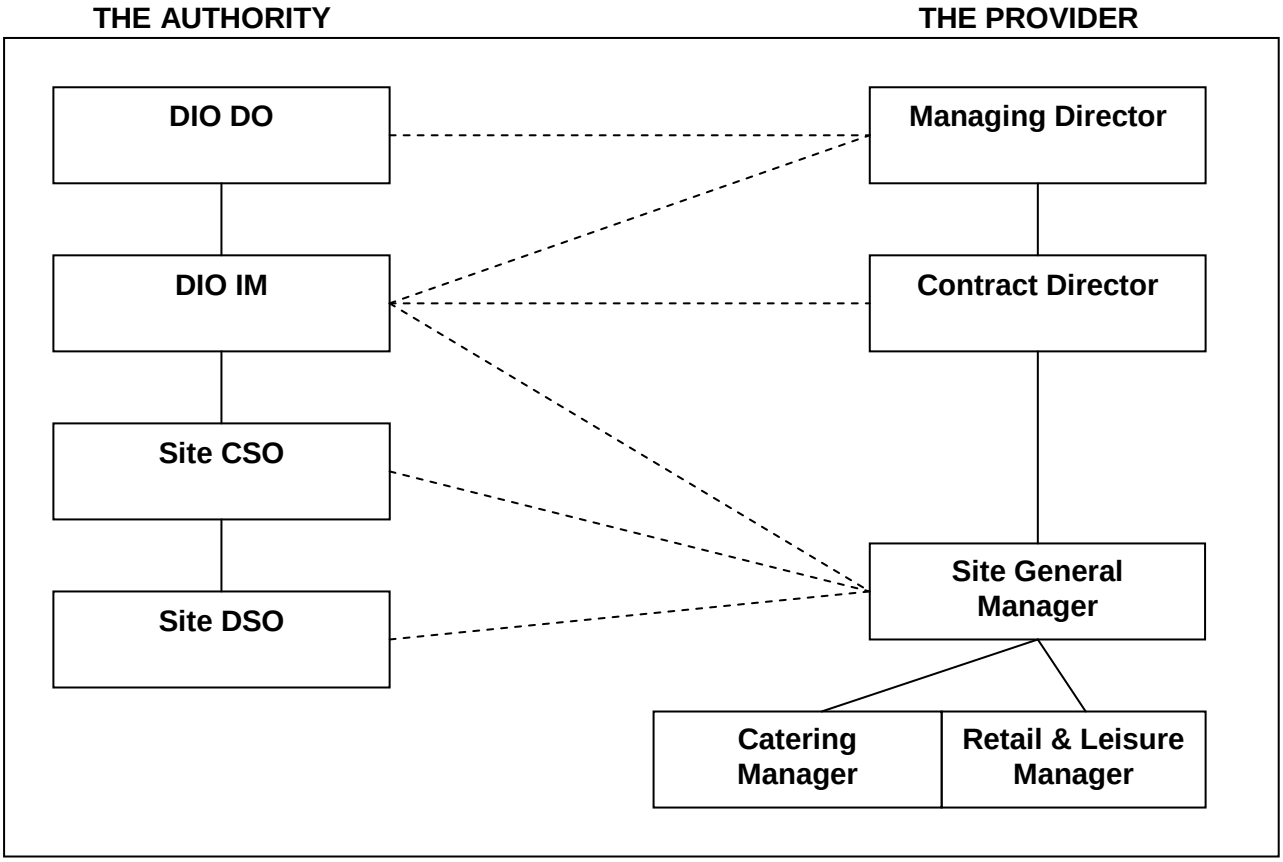
b. Advise on all legal and contractual issues relating to Soft FM contracts and provide definitive advice and guidance in respect of the contracted level of services to be delivered.

c. Empowered to authorise changes to the level of services to be provided under the contracts or any other obligations of the IP or to apply any Terms and Conditions of the contract in the event of failures in performance by the IP.

d. This responsibility fully extends to the application of Service Credits and any other identified failures of performance not readily covered by the KPI/Service Credit Regime where consideration is made to reduce payments in anyway or to seek any other recompense for such failures in performance.

1208. **Contract Management Team.** A diagrammatic overview of this management structure is set-out below at Table 12.2. Suggested models Specific to the Naval Bases, Army and RAF can be found at Annexes A, B, C and D. For SCRL see Annex E and Annex E Appendix 1.

Table 12.2
The involvement required of the Contract Management Team at all levels



DIO DO and the Contractors Managing Director are jointly responsible for the strategic relationship and forward planning.

DIO IM and the Contract Director are jointly responsible for operational relationship, planning and payment.

Site CSO/DSO and the Site General Manager are jointly responsible for day to day management and relationship quality assurance.

THE ROLE AND RESPONSIBILITIES OF THE CONTRACT MANAGEMENT TEAM

DIO Note: Roles of the CMMAT and C1 SFM Manager are currently under discussion within DIO and this chapter will be amended once a decision has been reached.

1209. **DIO Regional MAC Monitoring and Assurance Team (MMAT).** Responsible to the DO for monitoring and assurance of the service delivery on behalf of the Authority and the unit/consumer; and to assist in the development and staffing of User Requirements. The main responsibilities of the MMAT include:

a. Co-ordinate the provision of technical support from relevant SMEs for drafting submissions.

b. Validate Request for Contract Action (RCAs).

c. Produce monthly observation reports (update and review dashboard) to DO.

d. Identify and manage cross cutting issues between IPs.

e. Manage the required SME input for technical evaluations and assurance regimes.

f. Develop and promulgate Soft FM contract direction.

g. Capture and disseminate best practice.

h. Manage the Risk Register on behalf of the DO.

i. Contribute to and manage partnering issues as and when required.

j. POC between Local Authority and SP on Soft FM contracts related issues.

k. Co-ordinate delivery of relevant training to all personnel involved with Soft FM contracts in their AOR.

l. Conduct and co-ordinate technical evaluations.

m. Provide and process relevant data returns to DIO TFM Service Coherence (SC) Team.

1210. **Infrastructure Manager (IM).** The IM confirms the service delivery and facilitates the payment of the IP's bill on behalf of the Authority. The IMs role lies at the centre of the supplier relationship between the Authority and the IP.

The IM shall have a proactive role, liaising between the unit, the IP and DIO Commercial to ensure that specific services are being delivered. Much of the information below will come from the Contract Supervising Officer's (CSO) reports or directly from the IP.

The IM will maintain the day to day relationship with the IP's Contract Director; gathering information on service quality to provide an over-arching picture of contract performance across all Units. The main responsibilities of the IM include:

a. Service management, monitoring and assurance on behalf of the DO.

b. Interface between IP and DO.

c. Certifies payment to the IP.

d. Supports the DO and MMAT, including in the organisation of DO 6-monthly meetings

e. Chair formal meetings with the IP on a monthly basis, as well as assisting the SIM to chair the Infrastructure Community Monthly Meetings (ICMMs).

f. Ensure contracted out services are delivered in accordance with related Quality Assurance measures.

g. Ensure the IP meets the specifications and conditions of the contract and check that the quantity table's requirements are included.

h. Hold accurate and fully amended contracts (for their region) and SOR pages ensuring all CSOs are in possession of an up to date version of the contract (excluding Pricing Pages).

i. Raise and process to DIO Requests for Contract Action (RCAs) via the DIO-SFM-RCA Change Process (multiuser) mailbox.

j. Manage customer relationships, including issue resolution.

k. Carry out periodic checks on IP's performance.

l. Provide monthly reports to the DO with a copy sent to DIO TFM Service Coherence (SC) Team multiuser mailbox.

m. Ensure the IP provides a robust Energy, Water and Waste Management programme.

n. Maintain an oversight of food costs and selling prices.

o. Validate Crown Feeder account forms submitted by the Authority.

p. Arbitrate between the IP and Units and/or the RPC/NGEC IP on technical issues.

q. Provide technical direction to IP on Catering and Accommodation issues.

r. Liaise with the DIO Commercial Branch.

s. Provide support and advice to DO/CSO/DSO.

t. Coordinate provision of technical support from the User for drafting RCAs/BCs and other requirements.

u. Periodically review Unit Data Sheets, ensuring they remain accurate.

v. Measure the IP's performance using the KPI process.

w. Maintain an effective Quality Assurance system by using a taut monitoring regime.

x. Assist with the identification and management of Risk.

1211. **Service Catering SME.** Advise the IM on food service, retail and leisure issues. The Service Catering SME monitors service delivery against KPIs, proactively manages the Supplier Relationship and may assist with managing the RBM which should be discussed at their Site Service Delivery meetings.

ROLES AND RESPONSIBILITIES OF UNIT PERSONNEL

1212. **Head of Establishment (HoE).** The HoE sets the tone of engagement of their Chain of Command (CoC) with the IP. They should strive to ensure that through effective partnering the very best service is provided to their unit. The HoE needs to be aware of incursions on the business model. An impact statement needs to be provided by the HoE of the proposed incursion and agreed with the DIO IM and the IP. Before instigating any command decisions (e.g. the removal of alcohol privileges for disciplinary reasons) that may have a material impact on the conduct or profitability of the contract, the HoE or CSO must discuss the change with the DIO IM responsible for the contract. Any such changes could be considered to be changes to the contract and must be discussed and agreed with the DIO Senior Commercial Officer via the DIO SIM. The decisions a HoE makes can have serious adverse effects on the viability of the IP's CRL business case; such decisions may also have financial consequences for the Authority. Responsibilities for service delivery engagement include:

a. Appointing a suitably empowered officer to discharge the role of CSO for the unit.

b. Ensure that a spirit of partnering is maintained with the IP through engagement and dialogue.

c. Ensure the local CoC is actively engaged with the IP for the delivery of the best service.

d. Ensure that routine military management functions are conducted (e.g. Orderly Officer) to assure that a quality service is being received.

e. Ensure that the Service catering SME has a primary focus on the food delivery aspects of the contract.

f. Consider the effect that command decisions will have on the IP and discuss issues with the IM where appropriate.

1213. **Contract Supervising Officer (CSO).** Responsible to the HoE for maintaining the business relationships with the IP's Site Managers and the HoE, and monitoring the delivery of contracted services to the site and ensuring the requisite quality of service; and for raising defects and issues when required to the DIO IM. Working closely with the IP's Site Manager, the CSO is to ensure that the service is delivered and is to the required quality. The CSO's main responsibilities are:

a. Ensure availability of CCM to Declared Baseline Availability Schedule (DBAS) levels.

b. Chair Site meetings.

c. Attend DIO meetings as requested.

d. Communication with the HOE on SMAC contract.

e. Provide monthly Site Service Delivery and Observation Reports for IM.

f. Manage issues with the IP.

g. Inform IP of Site risk to the contract e.g. exercises/deployments/events.

h. Site Quality Assurance of service.

i. Regular communication with the IM to ensure an up to date view on service delivery against the contract.

k. Follow Consumer Satisfaction issues to resolution.

l. Regular communication with the IP's Site Manager.

m. Liaise with Soft FM Commercial and IM to invoke service failure process where appropriate.

n. Liaise with the IP on proposed site based changes.

o. Initiate contract change process via the IM.

p. Contribute to discussions with the IP on food initiatives.

q. Maintain and manage the Occurrence Register.

r. Hold the ability to negotiate opening times of facilities with the IP.

s. Input to the Occurrence/Risk Register.

t. Duty of care to contracted staff working on Authority premises.

u. Health and Safety, the CSO has a duty to ensure that external staff working on authority premises are employed in accordance with current Health and Safety legislation.

v. Pest Management, the CSO will ensure that he and the IM have a system in place to monitor an active pest management programme.

1214. **Health and Safety.** In undertaking their delegated role for Health and Safety and all other statutory obligations, the CSO has a duty to ensure external staff working on Authority premises are employed in accordance with current Health and Safety legislation. This includes being proactive and undertaking Health and Safety inspections within the IP's domain, which should be carried out alongside the IP and the Unit Safety Officer. The CSO shall represent the Authority during any transition between IPs, acting as the liaison between the parties.

1215. **Pest Management[1].** The CSO is also responsible for maintaining a robust pest control management programme. It is recommended that good housekeeping and high standards of building maintenance would mitigate against excessive pest control bills. The CSO will ensure that he and the DIO IM have a system in place to monitor an active pest management programme.

1216. **Deputy Supervising Officer (DSO).** Manages the unit Quality Assurance system and monitors the daily delivery of the Soft FM services, within their technical skills set and against the KPIs. In addition to any DSO duties they may be given in regard to their technical SME status, they are responsible to and assist the CSO with the management of CCM, ensuring the provision of adequately trained and available CCM against the contracted requirement. They are also responsible for the career management and operational requirements of CCM. The DSO role includes:

a. Monitor output and report issues to the CSO and Service Catering SME.

b. Liaison between the IP, CSO, CoC and IM on all Service Delivery matters for the site.

c. Link in with the Service Catering SME on catering quality issues.

d. Run the Weekly Site meetings with the IP.

e. Auditing of Crown Feeder accounts on behalf of the TLB.

f. Together with the DIO IM initiate and record RCA process and local arrangements.

g. Agree reductions to CCM with the IP Site Manager daily.

h. Agree reductions to output or service required with the IP Site Manager.

i. Agree Restricted Trading Days over and above normal allocation with IP Site Manager.

j. CCM rostering.

k. Resource Balance with the IP Site Manager.

[1] To be read in conjunction with JSP Pt.2 Vol 3 Ch 3.

l. Ensure all locations maintain a Resource Balancing Mechanism diary in order to support minimum availability from the DBAS.

m. Monitor and record KPIs and ensure output levels are maintained to deliver the service.

n. Audit and monitor the Recipe and Nutritional Standards.

o. Advisory duty of care audit on Unit Welfare Cafes (Salvation Army, RVS etc).

1217. **Unit Catering Manager (UCM).** This post can be either Authority or DIO provided but must ensure that all military catering staff understands the commercial requirements of food production and that CCM are employed in accordance with the contract.

1218. **Core Catering Manpower (CCM).** On those sites where CCM are available they are to work within the contract and assist in the delivery of the non operational catering service.

1219. **Guidance for Completing Statement of Requirement Quantity Tables.** Maintenance of data volumes on a weekly, monthly and annual basis is vital as this information is used for pricing and payment of the current contract, for national statistics, for FOI questions and most importantly, will form the basis of any re-let or new competition for the contract. The Quantity Tables (QT) are used to gather unit specific data on all the services that the incumbent IP is to deliver. Such data includes:

a. The number of livers in by Mess, average numbers of living out mess members that take meals in their relevant Mess, the standard of service required by the Mess i.e. silver service or family service.

b. The requirement, the standard and the frequency of areas that are to be cleaned.

c. In addition to the CRL element, the QT shall define as part of the S/MAC contract detail all other services that the unit requires the IP to deliver, the standard and frequency required i.e. tailoring, window cleaning and waste disposal.

1220. It is essential that the QTs are completed prior to issuing any tendering or Invitation documentation, as the IP will use the information contained within the QT to build up their picture of the requirement and subsequent business plan. The QT should also be discussed throughout the life of the contract.

a. **Site Specific Mapping.** It is prudent that a site-specific map accompany the QT, detailing the geographic spread and numbers of the site population including accommodation areas (including Service Family Accommodation), recreational areas and main employment areas. This will provide the IP with a better understanding of the dynamics of the site.

b. **Core Catering Manpower (CCM).** The QT will include the availability matrix for the CCM. Details on how to complete this are included in Chapter 9.

c. **Historical /Deployment Data.** It is essential that the IP is supplied with accurate historical data so that they can fully understand the deployment trend of the units housed within the site. It is also essential that the IP is informed of any planned deployments and other activities (block leave, adventure training, regimental stand downs) and the frequency thereof. The IP's business will be affected by the consumer base being absent from the site.

d. **Specialist Events.** There is a need for the IM to inform the IP of any specialist events that the site may host such as air days, families day or graduation/pass out parades. This will ensure that the IP can accurately plan to support the event.

e. **Core Meal Timings.** The IP is to be informed of the core meal timings by Mess for weekdays and weekends.

f. **Type of Food Service.** The IP is to be informed of the style of food service (e.g. silver service, family service, self service) required by each Mess. The IP will also need to be informed of the style of service required at functions (i.e. dinner nights/balls or cocktail parties, JSP 456 Pt.2 Vol 1 Ch 6 refers).

g. **Function Requirements.** Formal and informal functions are organised by the mess committee on behalf of the Mess. The IP is to be informed of the number of formal and informal functions by Mess, the average number of attendees to be catered for, and the timing of such functions in order that they can cost the staffing levels as required. The IP should also be informed of any Service/Regimental traditions (refer to JSP 456 Pt.2 Vol 1 Ch 6).

h. **Messing and Hotel Services.** The IP is to be informed of the required standard and scope of messing and hotel services. It should be noted that these vary from Service to Service therefore it is imperative that the IP is aware of the site-specific requirement.

i. **Other Services.** The IP is to be informed of the requirement of all other services that they are required to provide and their frequency and standards (e.g. window cleaning and gardening services).

j. **Surge Requirement.** The Authority is to inform the IP of any possible surge requirement, this will enable the IP to produce a contingency plan.

1221. **Components of Managing The Contract.** As with any contract, the CRL element needs to be correctly managed. Therefore it is strongly recommended that the Management structure consists of the following key components:

a. DIO SDA can discharge the role of the Intelligent Customer (IC) and manage the contractual relationship on behalf of the MOD.

b. A robust process to manage the relationship with the IP.

c. Contracting/commercial expertise and authority that supports and forms part of the DIO SDA.

d. Systems to quality assure/process review the CRL services.

1222. To discharge their duties effectively the DIO SDA need to have a comprehensive understanding of the following:

a. The Head of Establishment’s objectives for the unit.

b. The current operation and future plans of the unit.

c. The technical aspects of the services being provided.

d. Menu planning, costing and pricing.

e. Demand forecasting.

f. Food production and control.

g. The payment process and gain sharing mechanism.

h. Process review systems and consumer satisfaction.

i. Key Performance Indicators (KPIs) and their application.

j. Partnering relationships and inter-personal skills.

KEY PERFORMANCE INDICATORS

1223. **Key Performance Indicators (KPI).** The CRL Contract documentation must include KPIs to measure the IPs performance in delivering the service. A KPI is a measure of service delivery against an agreed standard & acceptance criteria for which a Service Credit mechanism for failure in performance is defined should the IP fall below the Service Level Threshold[2]. KPIs are designed to measure deliverables against an agreed Service Level Target[3]

1224. **A Service Credit.** A Service Credit is a measure which will generate a financial recovery from the IP resulting from a failure to deliver a satisfactory level of service. The associated monetary value may only be at risk, dependent on service delivery in subsequent months, but this should be subject to commercial advice via the DIO Commercial Team.

1225. CRL is an output-based contract paid for in part by the Service Provision Payment (SPP). It is therefore essential that the SO, on behalf of the Authority confirms that the services are delivered to the agreed standards. The KPI mechanism encourages pro-active management from the IP, by providing an opportunity to rectify the service before there are any service credits collected or amendments to the Authority's invoice.

1226. CRL KPIs cover availability and performance:

a. Availability KPIs are calculated from factual information. They consist of:

(1) Core Meal Availability (Core meal availability, number of choices and nutritional content).

(2) Facilities Availability (broken down by individual facility).

(3) Meal Availability (including packed lunches, container meals and Duty Meals).

b. Performance KPIs are calculated from subjective information. They consist of:

(1) Consumer Satisfaction.

(2) Customer Satisfaction.

c. The IP is responsible for calculating their own KPI scores each month and presenting them to the Authority via the IM for discussion. The CSO is responsible for auditing the IP's scores and reasoning to ensure they align to their QA diary.

1227. **Measurement of KPIs.**

a. Core Meal Availability. The Core Meal offering must be available at the times agreed, at the correct price, with sufficient choices and providing a balanced and varied diet in accordance with Chapter 6.

[2] Service Level Threshold is the level of service, below which, the Contractor will incur Service Credits.
[3] A Service Level Target is the level of service delivery the Contractor is required to meet.

b. Instances of non-availability deemed to be outside the control of the IP shall, for the purposes of agreeing Core Meal availability, not be taken into account when calculating the overall percentage availability.

c. In addition, all choices must be available throughout Core Meal times.

d. Facilities Availability. Measurement is by physical observation, or use of mutually agreed measuring methodology to ensure that all the facilities are available to the Consumer throughout published opening times, unless previously agreed with the Authority via the DIO IM. Information is collated daily, aggregated and reported monthly.

e. Meal Availability. Measurement is by way of the percentage of meal orders of the total ordered e.g. Packed lunch or meeting refreshment, not available at the agreed location and/or at the agreed time. Information is collated daily, aggregated and reported monthly.

DEVELOPING THE CRL PARTNERING RELATIONSHIP

1228. This chapter describes the requirement to develop a partnering relationship between the Authority and the IP to ensure the delivery of a desirable and profitable CRL service. Partnering is a way of working collaboratively together for mutual benefit, in an environment of trust and cooperation.

DEVELOPING AND MANAGING THE PARTNERING RELATIONSHIP

1229. **Customer Satisfaction.** Customer satisfaction shall be measured in accordance with the process agreed between the IP and the Authority and as a minimum the Customer shall expect the IP to achieve the following:

a. That the service delivered meets the requirements of the contract.

b. That the IP’s management team demonstrates an understanding of the Authority’s requirements and the needs of the site defence community.

c. That the IP’s management team works closely with the Authority's management team to determine ongoing priorities.

d. That the IP’s management team is proactive in managing and delivering the services.

1230. The IP is required to report his measurement findings to the Authority at the Monthly Service Management Meeting. Instances of non-availability deemed to be outside the control of the IP shall, for the purposes of agreeing Customer Satisfaction, not be taken into account when calculating the overall performance.

1231. **Consumer Satisfaction.** Consumer satisfaction shall be measured in accordance with the process agreed between the IP and the Authority. The IP is required to measure consumer satisfaction from a representative number of the site Defence Community on a monthly basis and report their measurement findings to the Authority at the Monthly Service Management Meeting. Instances of non-availability deemed to be outside the control of the IP shall, for the purposes of agreeing Consumer Satisfaction, not be taken into account when calculating the overall performance.

1232. The Service Credit regime is designed to promote delivery of the required service. It is not a tool for the Authority to reduce the Service Provision Payment to the IP. Under CRL the aim is to maintain and improve long-term performance. Mistakes can happen; therefore the IP is given the opportunity to rectify service delivery.

1233. To discourage the IP from moving resources around on a monthly basis to rectify problem areas and thus avoid Service Credits, both Availability and performance KPIs have a 'Rule' to review the 3 month-average.

1234. Under the KPI regime the Authority, through the consumer, can now influence the IP's retail and leisure activities even though the Authority is not funding their provision. When the Authority shows due attention, the KPIs are an effective way of measuring consumer and customer satisfaction.

1235. **Performance Review.** The fundamental principles to quality assure the CRL service is to work with the IP and CCM to optimise the performance of the CRL operation. Performance Reviews are necessary to evaluate the performance of CRL contracts in order to identify where there are opportunities to enhance the performance to the benefit of all stakeholders. A Performance Review is to be carried out on a regular basis as determined by TLBs. It will be undertaken by a combined team drawn from the IP, the on-site Authority staffs and TLB staff. The objective of the review is to learn from experience and to develop an action plan as part of the routine management process.

1236. **Content of the Performance Review.** The Performance Review should consider the following disciplines but it may be necessary to afford greater resources to areas of the business that require additional consideration:

a. Purchasing and food supply.

b. Recipe development and costing.

c. Calculating selling prices.

d. Menu planning.

e. Production planning and control.

f. Food service.

g. Sales analysis and post costing.

h. Preference forecasting.

i. Marketing and merchandising.

j. Consumer satisfaction.

k. Managing CCM availability and application.

l. Financial management and interpretation of the trading account (including Crown Account Free Feeding).

m. Managing the partnering relationship.

1237. **Evaluation Criteria.** To assist with the evaluation of the CRL services the criteria at Annex F should be considered during the evaluation.

1238. **In-Month Management Activities.** It is imperative that the following key activities are carried out on a monthly basis in conjunction with the IP however, a detailed break down of all activities is at Annex G.

a. Consumer Satisfaction Surveys are to be initiated early in the month to allow collation of the data in good time for the monthly meeting.

b. The Customer Satisfaction KPI matrices for the previous month are to be completed at least 7 working days before the monthly meeting (to allow the IP time to compile the Management report).

c. The IP must present the monthly management report to the DIO SDA via the DIO IM at least 5 working days prior to the monthly meeting. This report must consist of:

(1) Trading Data.

(2) Risk Register.

(3) Management Report.

(4) Unable to Pay Report.

(5) Crown Free Feeding Account.

(6) Consumer Satisfaction Surveys.

1239. **Meeting Routines.** It is imperative that DIO SDA devote time to the management of CRL. Normal meeting routines are listed below:

a. **Weekly Meeting.** The CSO is to chair a weekly meeting with the IP. The meeting will discuss recent performance and future requirements. The principal function of the Weekly Meeting is to consider all matters relating to the day-to-day operation of the CRL and associated services and facilities and must cover as a minimum the following areas:

(1) Recent performance.

(2) Progress against Recovery Plans as required.

(3) Future Plans and events affecting demand.

(4) Resources (including, if appropriate, CCM availability).

(5) Service delivery risks and issues.

(6) QA risks and issues.

(7) Activity levels.

b. **Monthly Management Meetings.** The DIO IM is to chair a Monthly Management meeting with the IP to discuss the management and performance of the CRL and associated services and facilities. The CSO and any DSO should also be in attendance. The principal function of the meeting will be to consider all matters relating to the operation and to cover as a minimum the following areas:

(1) Review performance against KPI targets.

(2) Review Exception Reports and Recovery Plans to improve performance as required.

(3) Review CCM availability.

(4) Maintain and develop quality standards.

(5) Consider development opportunities.

(6) Review customer feedback.

(7) Review consumer feedback.

(8) Analyse monthly trading account/Crown Feeding data.

(9) Analyse levels of activity.

(10) Monitor/identify all appropriate and significant risks to the business and assign ownership for resolution of these risks.

(11) Review any additional reports.

(12) Future Plans and Events affecting demand.

c. **Six Monthly Meeting.** The DO is to chair a meeting with the IP. Meetings will take place at 6 monthly intervals to discuss the management and performance of the CRL and associated services and facilities. The CSO and DSO should also be in attendance. The principal function of the meeting is to consider strategic aspects and over-arching service delivery trends and issues relating to the contract's operation and must cover as a minimum the following areas:

(1) Review performance against KPI targets.

(2) Develop quality standards.

(3) Consider development opportunities.

(4) Review service delivery.

(5) Review consolidated consumer feedback.

(6) Analyse trading trends.

(7) Analyse levels of activity.

(8) Monitor/identify significant risks to the business and assign ownership for resolution of these risks.

d. **Annual Review.** The purpose of the Annual Review is to ensure that all outstanding actions from the previous 6 monthly meeting have been fully addressed and to ensure that the last 6 months of business have been interrogated using the same appraisal criteria as the former meeting. However, the annual review has 2 further important functions. Firstly, the IP and the Authority must review the Business Development Plan from which the following year's budget proposal is calculated to ensure it is both realistic and accurate. Secondly the IP and Authority staffs are to finalise the previous year's trading position to ensure any gainshare to the Authority is correctly apportioned. A copy of the Annual Report is to be sent to the DO and also the DIO SC Team via the DIO-SFM RCA Change Process (multiuser) mailbox.

1240. **Quality Assurance (QA) Responsibilities of the Industry Partner (IP).** The following activities must be undertaken by the IP in order to assure their own services:

a. Provide management reports at least 5 working days in advance of the Monthly meeting.

b. Provide a measurable QA system that has sufficient coverage to satisfy Authority needs.

c. Carry out periodic sampling of the data to validate information and ensure accuracy of information provided.

d. Carry out periodic independent quality checks and external audits.

e. Track sample consumer/customer comments back to the consumer/customer who made them, to ensure the feedback is being maintained.

f. Review the service being delivered, communicate with consumers/customers and gather an independent view of the service to assess the accuracy of QA systems.

1241. **Authority Process Reviews.** There is a requirement for the Authority to undertake process reviews in accordance with Single Service requirements in addition to the standard inspection regime. The aim of the review will be to assess the current practices and identify areas for improvement. This should be conducted in conjunction with the IP and all consequential actions should be jointly agreed. Further information on this subject can be found at Chapter 5.

1242. **Finance Planning and Control.** For any financial interpretation of these accounts to take place, it is imperative that TLB/DIO IM/CSO staff attend MSR 5 (Interpreting the Trading Account Training). Prior to the Monthly Management Meeting the respective Authority personnel should receive, at least 5 working days in advance, a CRL Trading Account Document detailing the financial performance of the unit in question for the previous trading month. Upon receipt of the Trading Account the Authority should analyse the figures presented, using the various forms either against each other or as single forms to gain a view as to the performance. All discrepancies, or those which the Authority deem to be discrepancies, are to be compiled in a monthly commentary form and submitted to the IP for them to reply. The monthly meeting can then take place with both Unit and IP able to partake fully in the account debrief.

1243. **Authority Staff – Terms of Reference (TOR).** Single Services will have their specific requirements on how their personnel will be employed in a CRL environment. Nevertheless, in developing TORs account must be taken of site specifics in ensuring that catering, retail, leisure and food supply services are of the highest possible standard within agreed facilities.

1244. **General Responsibilities.** The post responsible for routine management of the partnering relationship (usually CSO/DSO) occupies the key position between the Authority and the IP's management team since it is responsible for the day to day liaison with the IP. The following general responsibilities are to be included in the TORs:

a. Working with the IP's Site General Manager.

b. Ensuring that the Authority's responsibilities are discharged.

c. Command and control of CCM where employed.

d. High level Performance Review to ensure that the services are delivered to the agreed standards.

e. Planning and communicating local requirements.

f. Initiating requests for contract amendments via the DIO IM, where required, to ensure the Service keeps pace with changing needs.

1245. **Specific Duties.** Specific duties for the DIO SDA are to include:

a. Working with the IP to plan future requirements.

b. Participate in the continuous development of services.

c. Maintaining an oversight of food costs and selling prices.

d. Participating in the consumer feedback process.

e. Identify, quantify, mitigate, and manage risk.

f. Budgeting and financial planning.

g. Approval of the IP's invoices.

h. Maintaining and interpreting management information.

1246. **Food Complaint Procedure.** In the first instance the food complaint/comment should be made to the on-duty supervisor in the kitchen with the whole dish or plate of food returned. The supervisor must investigate the complaint and remedy any reasonable complaint. If the problem cannot be resolved at the counter, the complaint is to be reported to the Head Chef who in turn is to submit a report to the Contract Manager and CSO/DSO. Service personnel who are not satisfied with the response from the commercial partner should take their case before the Unit Duty Officer. Complaints may also be made in accordance with single Service QRs.

1247. **Comments/Suggestions.** Messes are encouraged to provide a comments / suggestions system for use by consumers. This system will assist the Authority and IP in delivering consumer expectations.

1248. **Food Benchmarking.** In addition to the performance measures referred to above, the cost of food procured by the CRL supplier in delivering the service is to be benchmarked in accordance with the process below. Costs of the food commodities will be benchmarked against the relevant index (as agreed by DIO Commercial) using supplier's shopping basket submissions. Tendering or Contractual requirements to bid and meet any benchmarking target, and any contractual provisions around the CRL supplier's performance against the benchmark, will be addressed by and must be referred to local commercial staff. For new contracts, failure to deliver against the benchmark should result in the Authority recovering excess charges.

a. **CPI process:** The Food Benchmarking Contractor will compare the costs of 500 food commodity lines (approx 80% of total spend) supplied to CRL units by each IP, against the market prices in the CPI. Actual monthly volume figures will be added for each product line. A full report detailing the results of the benchmarking exercise, observations and interpretations will be attached to the report; this information will be communicated to DFS. Initially the Food Benchmarking Contractor will produce a shopping comparison of up to 3000 items per IP in order to establish a tolerance/target.

b. **Initial Shopping Basket Submissions:** An IP winning CRL contracts must provide a spreadsheet detailing all food/drink/disposable commodity items purchased in relation to the provision of services to **all** CRL sites catered for by the IP for the first months trading, or on pricing submitted at contract evaluation stage.

c. **Quarterly Shopping Basket Submissions:** A full spreadsheet is required, detailing all food/drink and commodity items purchased in relation to the provision of services to **all** CRL sites catered for by the IP, for the months of Dec, Mar, Jun and Sep. The submissions

are to be forward by the 8th of Jan, Apr, Jul and Oct. Detailed below is the format for the data required:

(1) The data should be ordered in terms of spend, highest at the top. The Food Benchmarking Contractor will concentrate on the highest 400 spend items that can be matched, whilst randomly picking a further 100 items from the remainder of the list included in the reports submission.

(2) The completed report will be submitted to DFS for analysis on or around the 1st of the following month.

(3) Invoices should be obtained from a number of sites for each IP, in order to verify prices contained in the quarterly submissions, against actual prices being delivered to site. The prices should be consistent across all sites. The cross verification process is to be co-originated by DFS and completed by catering manpower on site.

1249 – 1299. Reserved.

CHAPTER 12 ANNEX A - CRL MANAGEMENT IN THE NAVAL BASES

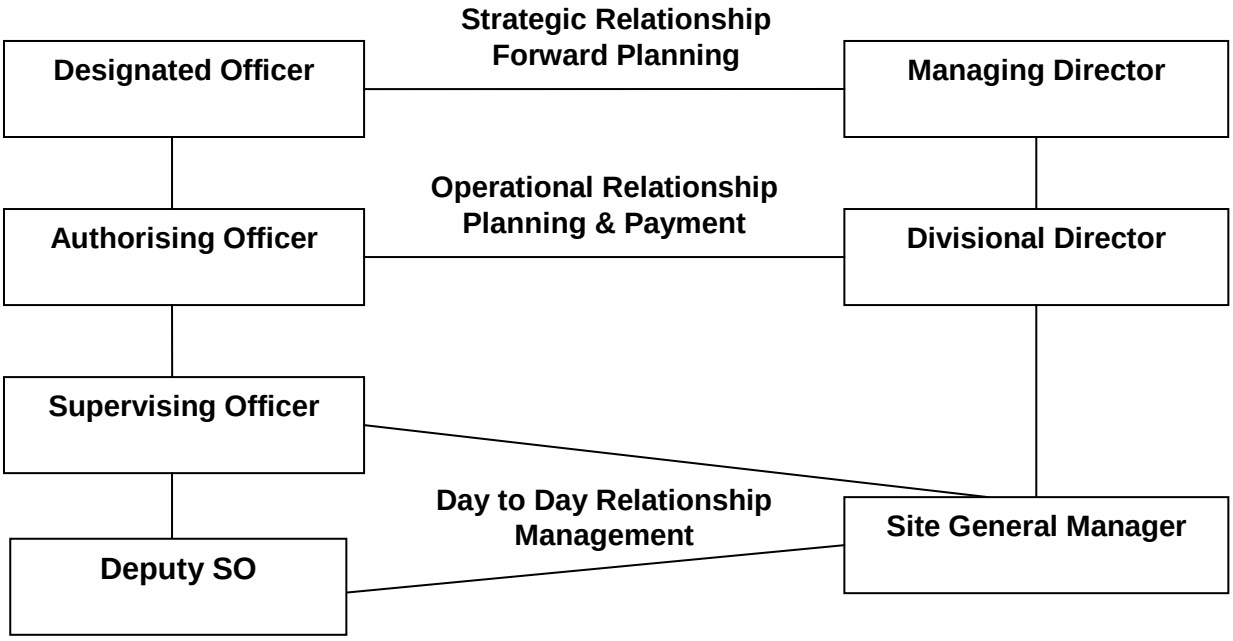
Introduction. Catering Retail and Leisure are elements of soft facilities management services which may be delivered under a variety of contract types (e.g. MAC, PFI). This guidance should be read in conjunction with the Land Command Acquisition Guide, and in particular the guides entitled Managing the Catering, Retail and Leisure Service and Managing the Supplier Relationship (or other service equivalent if promulgated).

It is essential that a robust and established management structure is in place at the commencement of the CRL process, both from the Authority and the Contractor. The Authority in designing this management structure should be aware of the impact of key personnel being deployed on operations. NCHQ will dictate the level of management required to support the CRL service.

Generic Management Structure. Each organisation is to appoint Relationship Managers to effectively manage critical interfaces between the parties. It is recognised that although units have various resources at their disposal a generic model is at Figure 1.

Figure 1.

CRL Management Relationship



No matter how robust the contract is and how defined the roles and responsibilities are, the service provision will depend on the management structure and the associated relationships between those involved. The relationship needs to be constantly developed throughout the business and must be 2-way and wholly reliant on the establishment of confidence and mutual trust. All parties must establish and commit to a common mission which is fundamental to delivering a successful relationship.

Designated Officer (DO). The Designated Officer leads the Authority's Relationship Management Team (RMT)/Contract Management Team (CMT), has overall responsibility for the management of contracts and, in most cases, management responsibility for a number of Authorising Officers (AO). As such, the DO is accountable for the delivery of contracted services, and all aspects of managing the Authority/Contractor relationship. The key role is to ensure that management arrangements and Performance Review systems are in place, and are being carried out in accordance with the contract. The DO is influential in developing the service and contracting strategy in conjunction with Commercial Branch and the Budget Manager. An important element of

the DO role is also to ensure that the AO and Supervising Officers (SO) have the skills and knowledge to perform effectively and to act in a professional manner with Contractors, whether or not they are in the DOs command chain. DOs are to ensure staffs receive the appropriate training.

Authorising Officer (AO). The AO is the Authority representative who confirms the service delivery and authorises payment on behalf of the Authority. The AO role lies at the heart of Managing the Supplier Relationship (MSR) between the Authority and the Contractor. The AO will gather information on service quality to provide a higher-level picture of contract performance across Units. Some of this information will come from combining separate SO reports, and some directly from the Contractor. The 2 most important duties of the AO are to receive and confirm information from SOs that the service has been successfully delivered and to authorise payment to the Contractor. In addition they:

a. Plan and communicate requirements to the Contractor.

b. Task work, in the case of contracts with enabling arrangements that require some services to be ordered when needed.

c. Support SO in their work.

d. Convene and chair formal meetings with the Contractor.

e. With the aid of Commercial Branch, process or initiate requests for Contract Amendments.

f. Measure Contractor performance using the KPI process.

g. Communicate with consumers and review consumer comments.

h. Authorise payment of SPP +/- RBM payment and Free Feeder account Form BX164.

Supervising Officer (SO). The SO is the Authority representative who monitors the Contractor's service delivery via the Performance Review. The SO is responsible for quality assuring the delivery of contracted services to the Unit. Working closely with the Contractor's Site Manager, the SO is to ensure the service is delivered and to assure its quality. The SO role involves planning and communicating local requirements, resolving any problems, and initiating requests for contract amendments where there is a requirement to ensure the service keeps pace with changing Unit needs. The SO will ensure that he and his AO have an up-to-date view on service delivery against the contract.

In undertaking their delegated role for Health and Safety and all other statutory obligations, the SO has a duty to ensure external staff working on Authority premises are employed in accordance with current Health and Safety legislation. This includes being proactive and undertaking Health and Safety inspections within the Contractor's domain, which should be carried out alongside the Contractor and the Unit Safety Officer. The SO shall represent the Authority during any transition between Contractors, acting as the liaison between the parties.

Guidance for Completing Statement of Requirement Quantity Tables. The aim of this section is to aid the designated staff in accurately completing the unit Quantity Tables (QT). The QT is used to gather unit specific data on all the services that the incumbent contractor is to deliver. Such data includes:

a. The number of livers in by Mess, average numbers of living out mess members that take meals in their relevant Mess, the standard of service required by mess i.e. silver service or family service.

b. The requirement, the standard and the frequency of areas that are to be cleaned.

c. In addition to the CRL element, the QT shall define as part of the S/MAC contract detail all other services that the unit requires the contractor to deliver, the standard and frequency required i.e. tailoring, window cleaning and waste disposal.

It is essential that they are completed prior to issuing any tendering or Invitation documentation, as the contractors will use the information contained within the QT to build up their picture of the requirement and subsequent business plan.

a. **Site Specific Mapping.** It is prudent that a site-specific map accompany the QT, detailing the geographic spread and numbers of the site population including accommodation areas (including Service Family Accommodation), recreational areas and main employment areas. This will provide the contractor with a better understanding of the dynamics of the site.

b. **Core Catering Manpower.** The QT will include the availability matrix for the CCM. Details on how to complete this are included in Chap 9.

c. **Historical /Deployment Data.** It is essential that the Contractor is supplied with accurate historical data so that they can fully understand the deployment trend of the units housed within the site. It is also essential that the Contractor is informed of any planned deployments and other activities (block leave, adventure training etc) and the frequency thereof. The Contractor's business will be affected by the consumer base being absent from the site.

d. **Specialist Events.** There is a need to inform the Contractor of any specialist events that the site may host such as unit commissioning/decommissioning, open days or families days. This will ensure that the contractor can accurately plan to support the event.

e. **Core Meal Timings.** The Contractor is to be informed of the core meal timings by Mess for weekdays and weekends. This is an opportunity to review timings for the new contract.

f. **Type of Food Service.** The Contractor is to be informed of the style of food service (e.g. silver service, family service, self service) required by each Mess. The Contractor will also need to be informed of the style of service required at functions (i.e. dinner nights/balls or cocktail parties, JSP 456 Vol 1 Chap 6 refers).

g. **Function Requirements.** Official and Unofficial functions are organised by the Mess Committee on behalf of the Mess. The Contractor is to be informed of the number of Official & Unofficial functions by mess, the average number of attendees to be catered for, and the timing of such functions in order that they can cost the staffing levels in to their bid. The Contractor should also be informed of any Service traditions (Refer JSP 456 Vol 1 Chap 6).

h. **Messing and Hotel Services.** The Contractor is to be informed of the required standard and scope of messing and hotel services. It should be noted that these vary from Service to Service therefore it is imperative that the Contractor is aware of the site-specific requirement.

i. **Other Services.** The Contractor is to be informed of the requirement of all other services that they are required to provide and their frequency and standards (e.g. window cleaning and gardening services).

j. **Surge Requirement.** The authority is to inform the Contractor of any possible surge requirement, this will enable the Contractor to build their intended contingency plan into their bid.

Components of Managing The Contract. As with any contract, the CRL element needs to be correctly managed. Therefore it is strongly recommended that the Management structure consists of the following key components:

a. RMT or a CMT that can discharge the role of the Intelligent Customer (IC) and manage the contractual relationship on behalf of the MoD.

b. A robust process to manage the relationship with the supplier.

c. Contracting/commercial expertise and authority that supports and forms part of the RMT/CMT.

d. Systems to quality assure/process review the CRL services.

To discharge their duties effectively the RMT or CMT need to have a comprehensive understanding of the following:

a. The Commanding Officer's objectives for the establishment.

b. The current operation and future plans of the establishment.

c. The technical aspects of the services being provided.

d. Menu planning, costing and pricing.

e. Demand forecasting.

f. Food production and control.

g. The payment process and gain sharing mechanism.

h. Process review systems and consumer satisfaction.

i. Key performance indicators and their application.

j. Partnering relationships and inter-personal skills.

Key Performance Indicators (KPI). The CRL Contract documentation must include KPIs to measure contractors' performance in delivering the service. A KPI is a measure of service delivery against an agreed standard & acceptance criteria for which a Service Credit mechanism for failure in performance is defined should the Contractor fall below the Service Level Threshold[4]. KPIs are designed to measure deliverables against an agreed Service Level Target[5]

A Service Credit. A Service Credit is a measure which will generate a financial recovery from to the Contractor resulting from a failure to deliver a satisfactory level of service. The associated monetary value may only be at risk, dependent on service delivery in subsequent months, but this should be subject to commercial advice.

CRL is an output-based contract paid for in part by the Service Provision Payment (SPP). It is therefore essential that the SO, on behalf of the Authority confirms that the services are delivered to the agreed standards. The KPI mechanism encourages pro-active management from the partner, by providing an opportunity to rectify the service before there are any service credits collected or amendments to the Authority invoice.

CRL KPIs cover availability and performance:

a. Availability KPIs are calculated from factual information. They consist of:

[4] Service Level Threshold is the level of service, below which, the Contractor will incur Service Credits.
[5] A Service Level Target is the level of service delivery the Contractor is required to meet.

(1) Core Meal Availability (Core meal availability, number of choices and nutritional content).

(2) Facilities Availability (broken down by individual facility).

(3) Meal Availability (including packed lunches and Duty Meals).

b. Performance KPIs are calculated from subjective information. They consist of:

(1) Consumer Satisfaction.

(2) Customer Satisfaction.

c. The Contractor is responsible for calculating their own KPI scores each month and presenting them to the Authority for discussion. The SO is responsible for auditing the Contractor's scores and reasoning to ensure they align to their QA diary.

Measurement of KPIs.

a. Core Meal Availability. The Core Meal offering must be available at the times agreed, at the correct price, with sufficient choices and providing a balanced and varied diet in accordance with Ch 6.

b. Instances of non-availability deemed to be outside the control of the Contractor shall, for the purposes of agreeing Core Meal availability, not be taken into account when calculating the overall percentage availability.

c. In addition, all choices must be available throughout Core Meal times.

d. Facilities Availability. Measurement is by physical observation, or use of mutually agreed measuring methodology to ensure that all the facilities are available to the Consumer throughout published opening times, unless previously agreed with the Authority. Information is collated daily, aggregated and reported monthly.

e. Meal Availability. Measurement is by way of the percentage of meal orders of the total ordered e.g. Packed lunch or meeting refreshment, not available at the agreed location and/or at the agreed time. Information is collated daily, aggregated and reported monthly.

Customer Satisfaction. Customer satisfaction shall be measured in accordance with the process agreed between the Contractor and the Authority and as a minimum the Customer shall expect the Contractor to achieve the following:

a. That the service delivered meets the requirements of the contract.

b. That the Contractor's management team demonstrates an understanding of the Authority's requirements and the needs of the site Defence community.

c. That the Contractor's management team works closely with the Authority's management team to determine ongoing priorities.

d. That the Contractor's management team is proactive in managing and delivering the services.

The Contractor is required to report his measurement findings to the Authority at the Monthly Service Management Meeting. Instances of non-availability deemed to be outside the control of the

Contractor shall, for the purposes of agreeing Customer Satisfaction, not be taken into account when calculating the overall performance.

Consumer Satisfaction. Consumer satisfaction shall be measured in accordance with the process agreed between the Contractor and the Authority. The Contractor is required to measure consumer satisfaction from a representative number of the site Defence Community on a monthly basis and report their measurement findings to the Authority at the Monthly Service Management Meeting. Instances of non-availability deemed to be outside the control of the Contractor shall, for the purposes of agreeing Consumer Satisfaction, not be taken into account when calculating the overall performance.

The Service Credit regime is designed to promote delivery of the required service. It is not a tool for the Authority to reduce the Service Provision Payment to the Contractor. Under CRL the aim is to maintain and improve long-term performance. Mistakes can happen; therefore the Contractor is given the opportunity to rectify service delivery.

To discourage the Contractor from moving resources around on a monthly basis to rectify problem areas and thus avoid Service Credits, both Availability and Performance KPIs have a 'Rule' to review the 3 month-average.

Under the KPI regime the Authority, through the consumer, can now influence the Contractor's retail and leisure activities even though the Authority is not funding their provision. When the Authority shows due attention, the KPIs are an effective way of measuring consumer and customer satisfaction.

Performance Review. The fundamental principles to quality assure the CRL service is to work with Contractor and CCM to optimise the performance of the CRL operation. Performance Reviews are necessary to evaluate the performance of CRL contracts in order to identify where there are opportunities to enhance the performance to the benefit of all stakeholders. A Performance Review is to be carried out on a regular basis as determined by TLBs. It will be undertaken by a combined team drawn from the Contractor, the on-site Authority staffs and TLB staff. The objective of the review is to learn from experience and to develop an action plan as part of the routine management process.

Content of the Performance Review. The Performance Review should consider the following disciplines but it may be necessary to afford greater resources to areas of the business that require additional consideration:

a. Purchasing and food supply.

b. Recipe development and costing.

c. Calculating selling prices.

d. Menu planning.

e. Production planning and control.

f. Food service.

g. Sales analysis and post costing.

h. Preference forecasting.

i. Marketing and merchandising.

j. Consumer satisfaction.

k. Managing CCM availability and application.

l. Financial management and interpretation of the trading account (including Crown Account Free Feeding).

m. Managing the partnering relationship.

Evaluation Criteria. To assist with the evaluation of the CRL services the criteria at Annex E should be considered during the evaluation.

In-Month Management Activities. It is imperative that the following key activities are carried out on a monthly basis in conjunction with the Contractor; however, a detailed break down of all activities is at Annex D:

a. Consumer satisfaction surveys are to be initiated early in the month to allow collation of the data in good time for the monthly meeting.

b. The Customer Satisfaction KPI matrices for the previous month are to be completed at least 7 working days before the monthly meeting (to allow the contractor time to compile the Management report)

c. The Contractor must present the monthly management report to the RMT/CMT at least 5 working days prior to the monthly meeting. This report must consist of:

(1) Trading Data.

(2) Risk Register.

(3) Management Report.

(4) Unable to Pay Report.

(5) Crown Free Feeding Account.

(6) Consumer Satisfaction Surveys.

Meeting Routines. It is imperative that RMT/CMT devote time to the management of CRL. Normal meeting routines are listed below:

a. **Weekly Meeting.** The SO is to chair a weekly meeting with the Contractor. The meeting will discuss recent performance and future requirements. The principal function of the Weekly Meeting is to consider all matters relating to the day-to-day operation of the CRL and Associated Services and facilities and must cover as a minimum the following areas:

(1) Recent performance.

(2) Progress against Recovery Plans as required.

(3) Future Plans and events affecting demand.

(4) Resources (including, if appropriate, CCM availability).

(5) Service delivery risks and issues.

(6) QA risks and issues.

(7) Activity levels.

b. **Monthly Management Meetings.** The AO is to chair a Monthly Management meeting with the Contractor to discuss the management and performance of the CRL and associated services and facilities. The SO and any DSO should also be in attendance. The principal function of the meeting will be to consider all matters relating to the operation and to cover as a minimum the following areas:

(1) Review performance against KPI targets.

(2) Review Exception Reports and Recovery Plans to improve performance as required.

(3) Review CCM availability.

(4) Maintain and develop quality standards.

(5) Consider development opportunities.

(6) Review customer feedback.

(7) Review consumer feedback.

(8) Analyse monthly trading account/Crown Feeding data.

(9) Analyse levels of activity.

(10) Monitor/identify all appropriate and significant risks to the business and assign ownership for resolution of these risks.

(11) Review any additional reports.

c. **Six Monthly Meeting.** The DO is to chair a meeting with the Contractor. Meetings will take place at 6 monthly intervals to discuss the management and performance of the CRL and Associated Services and facilities. The SO and DSO should also be in attendance. The principal function of the meeting is to consider strategic aspects and over-arching service delivery trends and issues relating to the Contract's operation and must cover as a minimum the following areas:

(1) Review performance against KPI targets.

(2) Develop quality standards.

(3) Consider development opportunities.

(4) Review service delivery.

(5) Review consolidated consumer feedback.

(6) Analyse trading trends.

(7) Analyse levels of activity.

(8) Monitor/identify significant risks to the business and assign ownership for resolution of these risks.

d. **Annual Review.** The purpose of the Annual Review is to ensure that all outstanding actions from the previous 6 monthly meeting have been fully addressed and to ensure that the last 6 months of business have been interrogated using the same appraisal criteria as the former meeting. However, the annual review has 2 further important functions. Firstly, the Contractor and the Authority must review the Business Development Plan from which the following year's budget proposal is calculated to ensure it is both realistic and accurate. Secondly the Contractor and Authority staffs are to finalise the previous year's trading position to ensure any gainshare to the Authority is correctly apportioned.

QA Responsibilities of the Contractor. The following activities must be undertaken by the Contractor in order to assure their own services:

a. Provide management reports at least 5 working days in advance of the Monthly meeting.

b. Provide a measurable QA system that has sufficient coverage to satisfy Authority needs.

c. Carry out periodic sampling of the data to validate information and ensure accuracy of information provided.

d. Carry out periodic independent quality checks and external audits.

e. Track sample consumer/customer comments back to the consumer/customer who made them, to ensure the feedback is being maintained.

f. Review the service being delivered, communicate with consumers/customers and gather an independent view of the service to assess the accuracy of QA systems.

Authority Process Reviews. There is a requirement for the Authority to undertake process reviews in accordance with Single Service requirements in addition to the standard inspection regime. The aim of the review will be to assess the current practices and identify areas for improvement. This should be conducted in conjunction with the Contractor and all consequential actions should be jointly agreed. Further information on this subject can be found at Ch 5.

Finance Planning and Control. For any financial interpretation of these accounts to take place, it is imperative that TLB/CAO/SO staff attend MSR 5 (Interpreting the Trading Account Training). Prior to the Monthly Management Meeting the respective Authority personnel should receive, at least 5 working days in advance, a CRL Trading Account Document detailing the financial performance of the unit in question for the previous trading month. Upon receipt of the Trading Account the Authority should analyse the figures presented, using the various forms either against each other or as single forms to gain a view as to the performance. All discrepancies, or those which the Authority deem to be discrepancies, are to be compiled in a monthly commentary form and submitted to the Contractor for them to reply. The monthly meeting can then take place with both unit and Contractor able to partake fully in the account debrief.

Authority Staff – Terms of Reference (TOR). Single Services will have their specific requirements on how their personnel will be employed in a CRL environment. Nevertheless, in developing TORs account must be taken of site specifics in ensuring that catering, retail, leisure and food supply services are of the highest possible standard within agreed facilities.

General Responsibilities. The post responsible for routine management of the partnering relationship (usually SO/DSO) occupies the key position between the Authority and the Contractor's management team since it is responsible for the day to day liaison with the Contractor.

The following general responsibilities are to be included in the TORs:

a. Working with the Contractor's Site General Manager.

b. Ensuring that the Authority's responsibilities are discharged.

c. Command and control of CCM where employed.

d. High level Performance Review to ensure that the services are delivered to the agreed standards.

e. Planning and communicating local requirements.

f. Initiating requests for contract amendments, where required, to ensure the Service keeps pace with changing needs.

Specific Duties. Specific duties for the OC RMT/CMT are to include:

a. Working with the Contractor to plan future requirements.

b. Participate in the continuous development of services.

c. Maintaining an oversight of food costs and selling prices.

d. Participating in the consumer feedback process.

e. Identify, quantify, mitigate, and manage risk.

f. Budgeting and financial planning.

g. Approval of the Contractor's invoices.

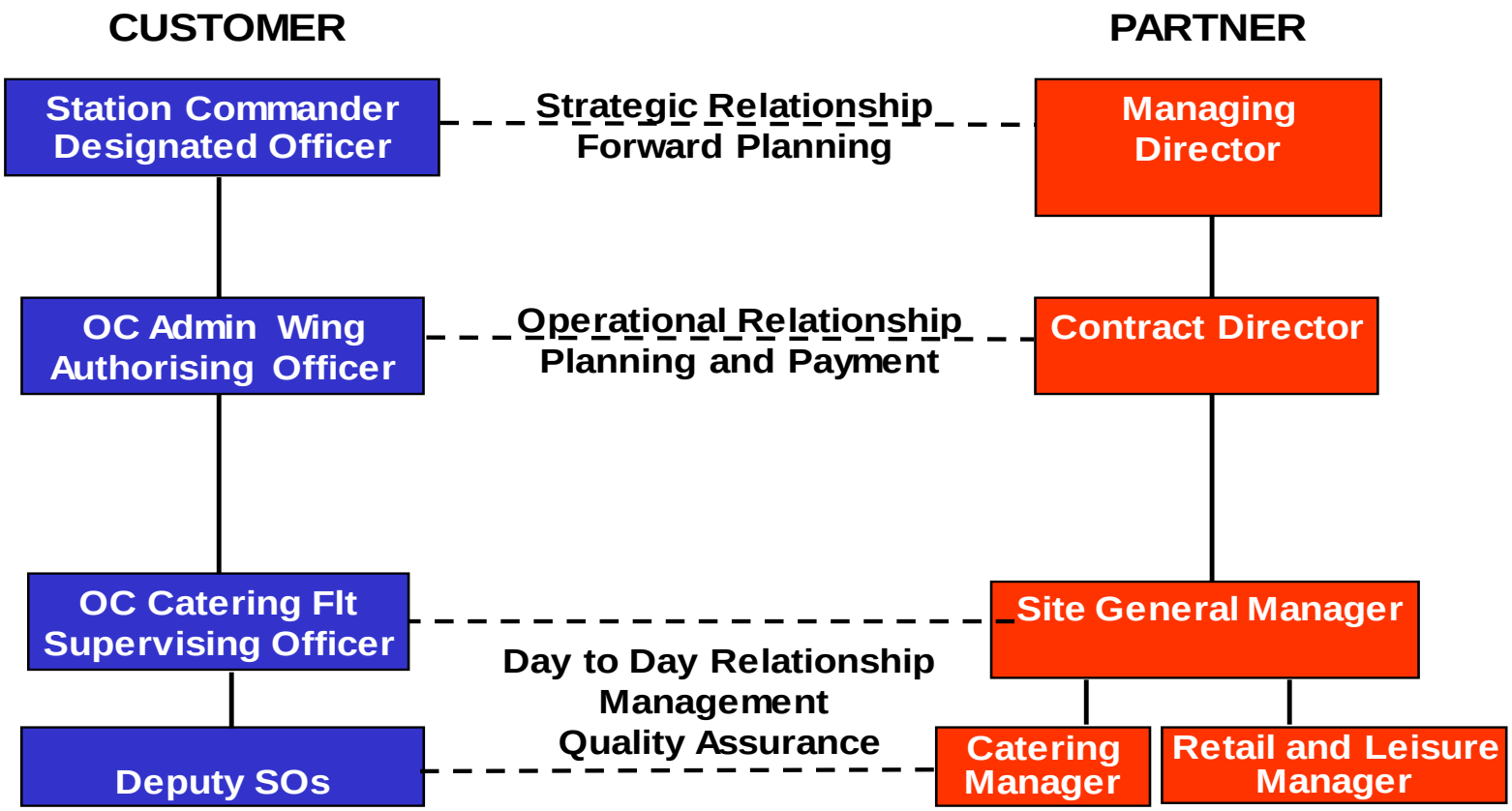
h. Maintaining and interpreting management information.

In discharging their TORs it is imperative that individuals within the RMT/CMT have a pro-active approach with well-developed and analytical skills. RMT/CMT staffs should have both comprehensive team working qualities and communication skills. It is necessary to have a sound specialist knowledge of the services with a degree of commercial and financial awareness. Importantly, there is a requirement to have a practical attitude to change and an ability to exercise sound judgement based on mutual interests of the business. Finally, RMT/CMT staffs must have effective negotiating and influencing skills and well developed inter-personal skills.

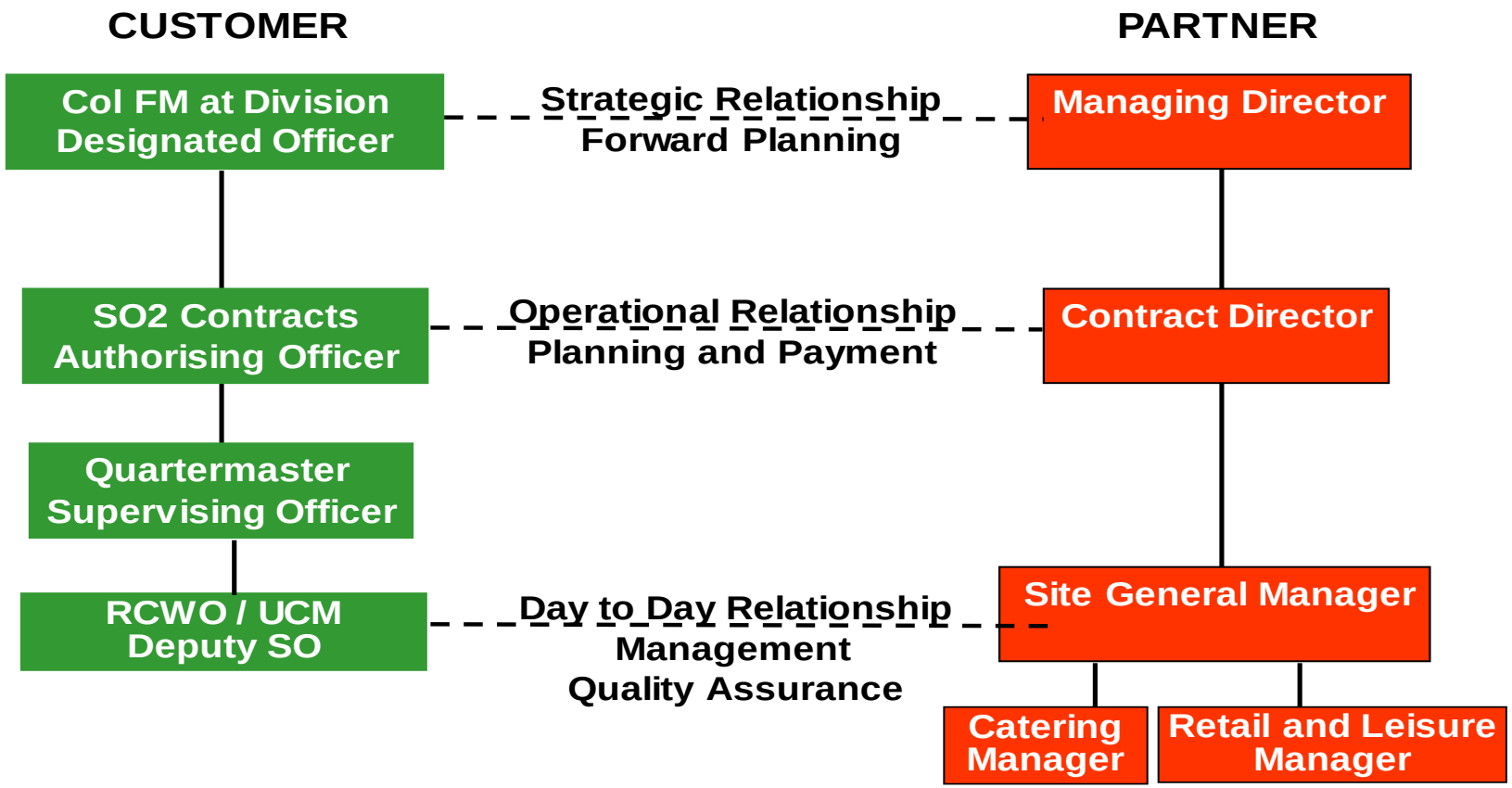
Food Complaint Procedure. In the first instance the food complaint/comment should be made to the on-duty supervisor in the kitchen with the whole dish or plate of food returned. The supervisor must investigate the complaint and remedy any reasonable complaint. If the problem cannot be resolved at the counter, the complaint is to be reported to the Head Chef who in turn is to submit a report to the Contract Manager and SO/DSO. Service personnel who are not satisfied with the response from the commercial partner should take their case before the Unit Duty Officer. Complaints may also be made in accordance with single Service QRs.

Comments/Suggestions. Messes are encouraged to provide a comments / suggestions system for use by consumers. This system will assist the Authority and Contractor in delivering consumer expectations.

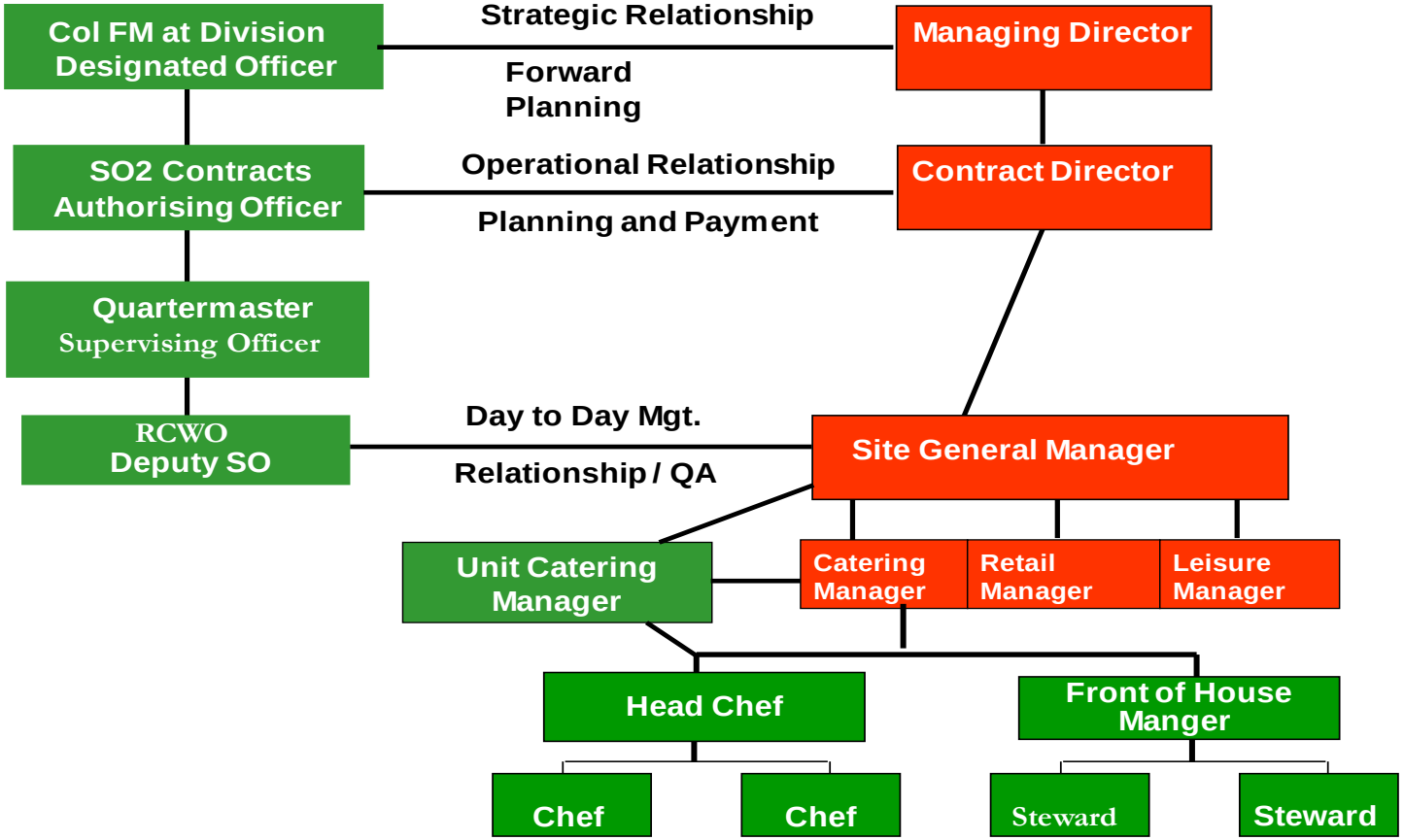
CHAPTER 12 Annex B - CRL PARTNERING RELATIONSHIPS - RAF



CHAPTER 12 Annex C - CRL PARTNERING RELATIONSHIPS - ARMY



CHAPTER 12 Annex D - CRL PARTNERING RELATIONSHIPS – ARMY (CCM)



CHAPTER 12 Annex E – CONTRACT MANAGEMENT AND GOVERNANCE FOR SUPER CRL

The DIO Super CRL (SCRL) Contract Management team are responsible for the strategic management and assurance of the contract, quality systems, contract change management and identification of best practice and benchmarking opportunities. All management roles will have a corresponding relationship with ISS management culminating at unit level, where delegated Unit personnel will assume the role of the CRL Partnering Officer (Site SO equivalent). The CRL Partnering Officer will work with the Industry Partner (IP) to facilitate the smooth operation of the contract at the operational level and will also act as an asset within the RAF chain of command to staff CRL matters both locally and upward into the DIO SCRL Team to assist in the continuous optimisation of the business model.

The CRL Partnering Officer remains within the Station command and control chain and will continue to deliver the day-to-day oversight of contract delivery.

Contract Management will be facilitated by an annual agenda of meetings and reports ranging from the operational to the strategic level which are designed to both address issues at the appropriately empowered level and inform both participants and supervisors.

Reporting Requirements

The Contractor shall provide all the reports detailed in the table below to the Authority in electronic format within the timescales set out in the table below and where any report to be provided to the Authority by the Contractor contains financial information of any nature then the figures contained therein shall be shown exclusive of VAT.

Item	Report	Content	Frequency/ Timing
1	**Service Delivery Report**	This report should include: • Performance against all of the KPIs for the month • Trend analysis over previous 12 months • Update on outstanding issues of service delivery • Progress on agreed targets from previous reports • For each instance of failure to provide the Services, details of any need for further remedial action to prevent a recurrence of the failure (to include identification of trends, where an individual performance failure in itself has been successfully addressed) and the plan for carrying out any such required action.	**Monthly**
2	**Publicly Funded Manpower Report**	• This report should provide details of the allocation of publicly funded manpower to each of the CRL facilities across the Station showing number of each grade and rank..	**Monthly**
3	**Management Report**	A narrative report covering the following: a. Alerts b. Issues c. Achievements d. Plans e. Levels of performance	**Monthly** **Annually**

4	**Monthly Financial Management Report**	Trading Accounts for all outlets and a summary sheet	**Monthly**
5	**"Unable to pay" report (if required)**	A list of personnel who have received meals from the IP without payment, due to insufficient funds.	**Monthly**
6	**CCM Availability Report**	The achieved percentage availability of CCM for the period by type (chef, caterer, and rank etc).	**Monthly**
7	**Annual Financial Report**	A copy of the IP's management accounting information should be provided to the Authority to include details of Gainshare.	**Annually**
8	**Business Case Development Plan**		**Annually**

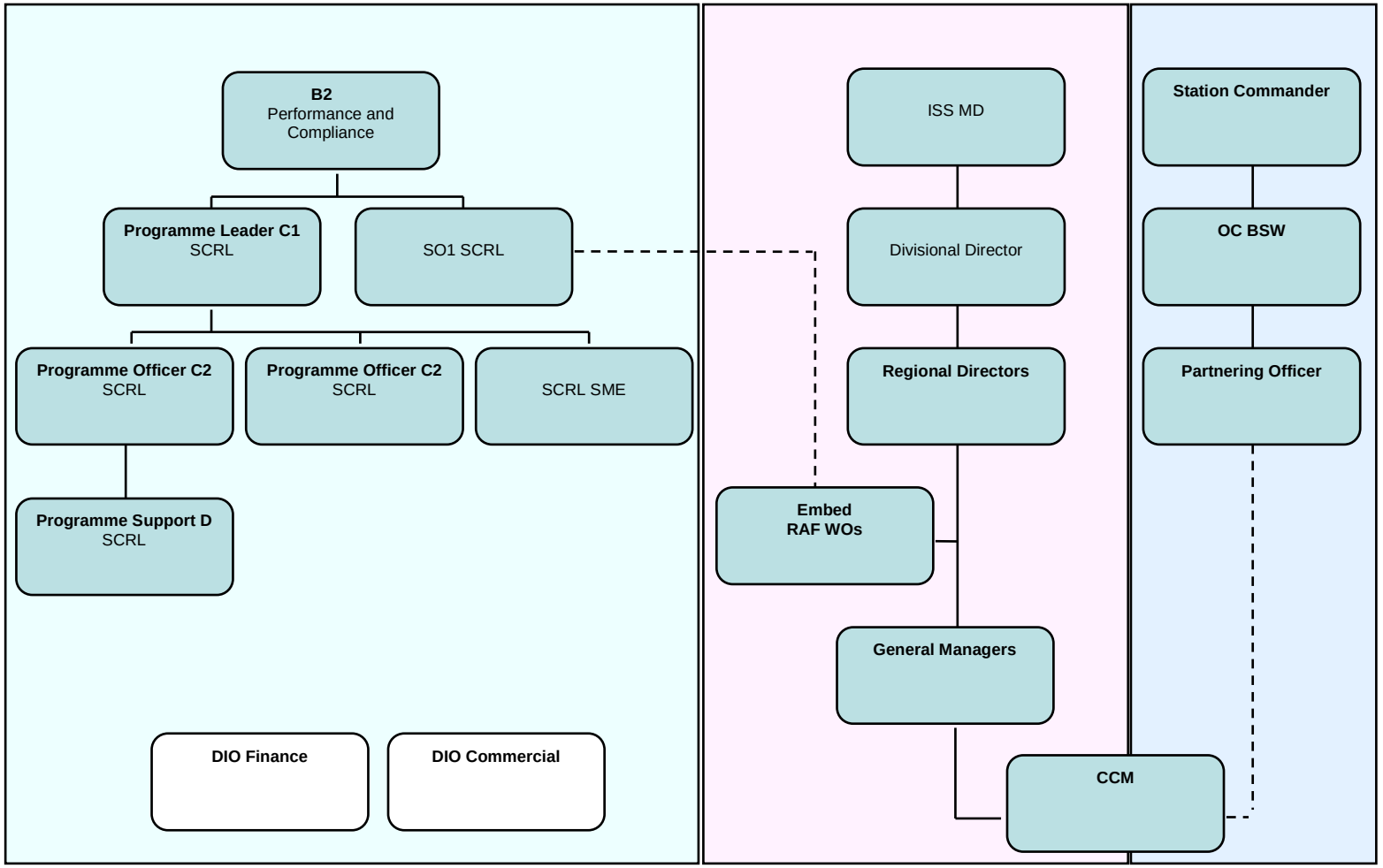
Meeting Requirements

The IP shall attend, and shall procure the attendance of its Key Personnel as required or any other IP personnel as relevant or as requested by the Authority, the meetings set out in the table below.

Item	**Meeting**	**Agenda / Requirements**		**Attendance**
1	**Monthly Services meeting**	Discussion of Services monthly reports (as required)	**Monthly**	CRL Partnering Officer - OC Cat - SCRL Contract Manager - Commercial Officer
2	**Ad Hoc meetings**	The IP shall attend and shall ensure the attendance of all relevant personnel at any other meetings the Authority shall initiate (within a reasonable period of the Authority's request).	**As required**	As required
3	**Annual Review Meeting**	Review of IP's performance throughout year	**Annually**	-HoE or Representative for relevant Site; -SCRL Partnering Officer

Appendix 1 to Annex E – SCRL and 22 (Trg) Gp Governance Structure

SCRL and 22 (Trg) Gp Governance Structure



CHAPTER 12 Annex F – PERFORMANCE REVIEW CRITERIA

SER No	DISCIPLINE
Purchasing and Food Supply	
1	Compare in-unit invoices to latest IP supplied Shopping basket
2	Review price links from invoices to inventory
3	Review price links from invoices to recipe costing
4	Review process for updating in-unit costs
5	Confirm treatment of any discounts
6	Review range of commodities available and confirm satisfaction
7	Review delivery schedules and confirm satisfaction
8	Review delivered quality of raw materials
Recipe Development and Costing	
1	Review in-use recipes against recipe database
2	Establish planned portion size and review adequacy
3	Review nature of portion size – cooked/raw weight
4	Review raw material specification and net yield
5	Review raw material costs and consistency with in-unit invoices
6	Review adequacy of ingredients – mix/volume for portion specified
7	Review balance of convenience versus fresh ingredients
8	Review production method and presentation considering batch cooking/call order/theatre cooking
9	Review cooking utensil compatibility with portion size
10	Review process for updating recipes for price changes
Calculating Selling Prices	
1	Total volume of raw material in the recipe
2	Cost of the gross raw materials
3	Number of portions being produced
4	Cost per specified portion
5	Allowance for wastage and condiments
6	Selling price for Core Meal items, including VAT
7	Planned gross profit margin and selling price, including VAT, on retail items and consider overall menu gross profit and price mix.
Menu Planning	
1	Review understanding of the CRL menu policy and its framework
2	Review use of costed recipes and value of Core meal items
3	Consider opportunities to trade differently
4	Establish overall gross profit percentage on retail offers against that stipulated in the contract
5	Review planned overall gross profit percentage to the budget for each outlet
6	Review promotion of healthy eating and availability
7	Ensure menus reflect the training requirements of the CCM
Production Planning and Preparation	
1	Use of standard recipes
2	Raw material control
3	Identify planned number of consumers
4	Identify preference forecast for each menu item
5	Establish menu production mix, based on established portion sizes, including the number of portions of each menu item to be cooked
6	Evidence of production records against numbers cooked
7	Review alternative plans in the event of core dish running out
Food service	
1	Signposting, to include healthy options and menu presentation

2	Dynamics of service area to facilitate choice
3	Merchandising of call order items
4	Use of the agreed service utensils to facilitate portion control
Sales Analysis and Post Production Costing	
Review records of the total number of portions and report on the following:	
1	Prepared
2	Sold to customers
3	Used in staff meals
4	Consumed
5	Remaining
6	Recoverable
7	Wastage during the cooking process
8	Each of the above should be costed to produce a menu cost and sales report. Make a comparison with the original plan and point of sale derived income
Preference Forecasting	
1	Establish the actual numbers of consumers served
2	Identify the actual number of portions of each menu item that was served
3	Calculate the preference for each menu item by establishing the numbers of portions served and divided by the number of consumers served as a percentage
4	Compare with previous preferences
5	Develop a weighted preference forecast that should be the basis for planning the production next time the menu is used
Marketing and Merchandising	
1	Signposting of outlets within the establishment
2	Marketing of the outlets within the establishment
3	Use of photographs and sample meals, including back of house
4	Menu presentation and ease of selection for different categories of consumers
5	Review special offers and promotions
6	Review plans to market to current non-users
CCM Availability and Management	
1	Review the CCM availability Matrix
2	Identify the monthly value of CCM and daily minimum numbers using the DBAS
3	Review staff rosters and application of CCM
4	Review the application of the RBM and the CCM diary
5	Review the command and control arrangements
6	Review the training records of the CCM and Contractor staff
7	Review forward planned CCM availability
Financial Management and Interpreting the Trading Account	
1	Establish that there is a monthly budget for each outlet
2	Confirm that monthly trading accounts are being prepared and presented in the agreed TLB format
3	Where appropriate, verify that SPP has been correctly attributed to each outlet
4	Review and compare budget and actual performance for each outlet for the last 3 months
5	Establish sales trends
6	Review food cost percentage and trading profit
7	Review labour costs to include CCM
8	Review overall trading and gainshare attribution
9	Establish what actions have been agreed to enhance performance
10	Verify Crown feeding account
11	Identify robust Audit trail
Managing the Supplier Relationship	
1	Confirm formal meeting pattern
2	Review agenda and minutes for last meetings, weekly, monthly and 6 monthly
3	Review risk register for content and management

4	Review the issues log for progress
5	Review trading account derived actions from the last meeting
6	Review other methods of communication
7	Comment on relationships in general
8	Review of training

CHAPTER 12 Annex G – DAILY AND MONTHLY MANAGEMENT ACTIVITIES

DAILY	APPLIES TO
Occurrence Diary	**Supervising Officer, DIO IM**
Complete CCM Diary	**Supervising Officer, DIO IM**
Issues Log	**Supervising Officer, DIO IM**
WEEK 1	
Set in motion Consumer Surveys	**Partner**
Risk Register	**Partner**
Check Consumer Surveys have been issued.	**DIO IM**
Weekly Management Meeting	**Supervising Officer, DIO IM, Partner**
WEEK 2	
Build KPI Report (360 Customer Satisfaction) for previous Month.	**Partner, Supervising Officer, DIO IM**
Risk Register	**Partner**
Weekly Management Meeting	**Supervising Officer, DIO IM, Partner**
WEEK 3	
Present Menus to Authority for Approval	**Partner, DIO IM**
Risk Register	**Partner**
Weekly Management Meeting	**Supervising Officer, DIO IM, Partner**
WEEK 4	
Present the Following:	
Trading Data	
Risk Register	
Management Report	
Unable to Pay Report	
Consumer Satisfaction Surveys	
Crown Feeding Account	**Partner**
Once the above approved, Stats sent to TLBs	**DIO IM**
Weekly Management Meeting	**Supervising Officer, DIO IM, Partner**
Monthly Meeting.	**Supervising Officer, DIO IM, Partner, TLB**