CHAPTER 11 - EQUIPMENT AND INFRASTRUCTURE

- 1101. **Introduction.** This Chapter outlines the infrastructure policy and the types of assets required for the delivery of the CRL/PAYD service on transfer or change of Contractor. In addition, it provides policy for utilities, leases and works services. It should be noted that the Authority retains its obligations under statutory legislation (these include the Food Safety Act, Health and Safety Act and Environmental legislation). A copy of the Assets terms and conditions is attached at Annex A.
- 1102. Under the terms of the Contract the Authority will retain responsibility for the majority of large catering assets unless individual TLBs determine on a VFM basis that they should be transferred to the Contractor. However, Defence Accommodation Stores (DAS) and non-publicly owned assets in both Messes and NAAFI buildings may be transferred or sold to the Contractor.
- 1103. **Standards.** Equipment purchased and installed by the Contractor is to comply with current Crown Fire Standards
- 1104. Any catering infrastructure designs/plans should be viewed and authorised by the DFS Kitchen Design and Equipment Authority (DFS KDEA) to ensure fitness for purpose. Any building work, refurbishment or change of use is to comply with Defence Estates (DE) Design and Maintenance Guide 18 (DMG 18), equipped to comply with DE Specification 42, Catering Equipment Specification, and scaled to JSP 315, Scale 52.
- 1105. Items of equipment purchased by the Contractor to service the contract for specific requirements within MOD Units must meet the requirements as stated in the General Specification Notes in DE Specification 42, Catering Equipment Specification and be installed according to the requirements of DE DMG 18. Due consideration shall be taken of the energy consumption of equipment and due regard taken of DMG 18, Section 7, Part D Energy Management.
- 1106. **Assets Buildings.** The Contractor is to be provided with buildings that are structurally sound, with the necessary utilities provision to deliver CRL services and which meet statutory legislation. This requirement can only be waived in exceptional circumstances and where such legislation permits or, for example, when a building is scheduled for closure and monies are being spent on a new facility, and with the explicit agreement of the Contractor.
- 1107. Contractors are required to liaise with Regional Prime Contractors (RPCs) to ensure that buildings utilised remain structurally sound. It is open to the Authority to require the Contractor to undertake internal maintenance, repair and decoration particularly in cases where exclusive occupation is granted for a minimum lease term of over 5 years. Appropriate Schedules of Condition should be prepared in conjunction with the lease. In such circumstances, some of the divisions of responsibility set out in Annex B will vary. The Authority will otherwise remain responsible for maintaining the infrastructure it is responsible for to the level at which the Contractor was provided with the building(s) selected for the provision of CRL/PAYD on commencement of the contract. This does not prevent the Contractor from making further agreed improvements to the building(s) in consultation with the Unit specialist staffs and DFS KDEA but such improvements to the building(s) should not be commenced without having first ascertained what other permissions, approvals and clearances may be required. Contractors must liaise with DE Land Management Services staff and/or the RPC DE Facilities Manager to ensure the proposed improvement complies with planning and building regulations requirements, and where relevant, is compatible with existing utility capacities. The proposal will also be checked to ensure it does not cut across any RPC services and will not be detrimental to the value and utility of the building(s).
- 1108. The Contractor will be responsible for reporting building maintenance and Government Funded Equipment (GFE) maintenance requirements and for the security of the building in

accordance with single Service procedures. The Authority will continue to build and equip some new catering facilities. DFS KDEA provides specialist advice on all kitchen design and equipment matters and will take into account the requirements of the CRL Contractor for the provision of catering services under CRL. 'Wants of Repair' that are the responsibility of the Authority are to be reported to the RPC DE Site Estate Representative or Facility Manager.

- 1109. **Replacement of Assets.** Where the Contractor wishes to have an item of GFE replaced due to un-serviceability, advice is to be sought from the Authority (unit specialist and DFS KDEA) in conjunction with the RPC on the desirability of like-for-like replacement in line with the asset register or repair. Where the Contractor wishes to replace an item of GFE considered as unsuitable to provide the service required by the Authority, the Authority shall not be committed to spending outside the values of the relevant scaling. However, the scales allow for flexibility and advice is to be sought from the DFS KDEA in conjunction with the unit representative. Where equipment requires re-location or re-distribution there shall be negotiation between the Authority (unit specialist staffs and DFS KDEA) and the Contractor to achieve the appropriate capability for CRL/PAYD. DEFCON 611 stipulates the conditions applying to the use of this issued property (GFE) and is included within the terms of the contract. GFE not required by the Contractor or replaced is to be offered up for disposal through the DFS KDEA to the Disposal Services Agency.
- 1110. **Contractors Assets.** There may be, from time to time, some assets that have to be transferred between contractors, these may be in the shops or other purely retail activities. The MOD position is that this is an issue between the 2 contractors. However, Commercial Branch and Unit staff should be aware that certain assets currently held by NAAFI are MOD property e.g. freezers in the shops, and must be removed from the premises and installed elsewhere for public use or sold to the Contractor. Certain Junior Ranks/Rates Clubs (JRCs) have been provided with equipment such as stage lighting and sound equipment through the auspices of non-public funds. Such items must be properly accounted for and sold to the Contractor for his use or disposed of in accordance with the single Service non-public regulations.
- 1111. **Transfer of Assets.** Items of equipment purchased by the Contractor to service the contract are to transfer to the Authority at the end of the contract on the presumption that they will have fully depreciated over the term of the contract. However, if the Contractor has refurbished the facility part way through the contract at his cost and there is an agreed residual value on the item(s), *by exception* and with the agreement of both the Authority and the outgoing Contractor, they may be removed by that Contractor (who also needs to make good afterwards). If the incoming Contractor is prepared to purchase the item(s) he may do so directly from the outgoing Contractor otherwise the equipment is to be removed by the latter.
- 1112. **Catering, Retail and Leisure Assets.** For the purpose of the provision of CRL, assets are divided into 3 categories:
 - a. **Category A.** Those Items of high value and normally found on the Resource Accounting and Budgeting (RAB) asset register such as prime catering equipment, utensil/dishwasher, refrigerators, freezers and other kitchen equipment.
 - b. **Category B.** Items of lower value, usually obtained through Barrack Stores/Army Stores Unit/Naval Stores. These include tables, chairs, cutlery, cooking equipment (pots, pans etc.) and are provided from public funds.
 - c. Category C. Non-publicly funded items.
- 1113. **Category A Assets.** The ownership and responsibility of Category A items (GFE) remains with the Authority. The maintenance and replacement of these items are covered in paras 1108 and 1109.

- 1114. Category B Assets in Junior Rank/Rates Messes. An agreed inventory of Category B assets in the JR Mess will transfer to the Contractor as part of the initial nominal sum of £1, who will be responsible for maintenance and replacement of these items to ensure the delivery of the CRL and Associated Services to meet the KPIs as detailed in the contract. At the end of the contract an agreed inventory of Category B items used for the delivery of the CRL and associated services will be transferred to the Authority as part of the initial nominal sum of £1.
- 1115. Category B Assets in Officers' and SNCOs' Messes. An agreed inventory of Category B assets in the Officers' and SNCOs' Mess kitchens/dining rooms such as cooking or serving equipment will transfer to the Contractor as part of the initial nominal sum of £1. However, furniture etc for the public rooms may continue to be provided by the Authority from the General Stores IPT (formerly known as the Non Project Procurement Organisation) contracts (and remain the property of the Authority). Similarly, should the Authority continue to require the use of Electro Plated Nickle Silver (EPNS) cutlery and other dining room provision (tables, chairs), these will be provided from public sources, loaned under signature to the Contractor and be subject to routine muster. If the Contractor can provide replacements for such items that are acceptable to the Authority, then those originally held may be transferred to the Contractor. The Contractor will be responsible for maintenance and replacement of these items to ensure the delivery of CRL/PAYD services to meet the KPIs as detailed in the contract. At the end of the contract all Category B assets will be transferred to the Authority for the same nominal sum.
- 1116. **Category C.** Category C items continue to be owned by the non-public fund that purchased them. Mess owned property such as silverware will remain the property of the Mess and will be managed in accordance with single Service regulations. However, some items may be transferred or sold to the Contractor with the approval of the relevant Service Non-public funds authority. Buildings or equipment provided by the Nuffield Trust for the Forces of the Crown may be utilised by the Contractor provided they are used for the same or similar purpose for that which they were provided. Should non-public items be handed over for the Contractor's use then it must be recognised that the Contractor is thus free to dispose of the items at the end of their useful life.

MAINTENANCE AND CLEANING

- 1117. **Building Responsibilities.** The Authority (through RPC) will be responsible for maintaining the infrastructure it is responsible for to the same standard at which the Contractor was provided with the building(s) selected for the provision of CRL at the outset of the contract. This is to include walls, floors, ceilings, roofs, power and other utilities to/from the building and including all those elements which do not fall within the delineated areas such as corridors and entrance ways. Supply of water to the building and waste water services from the building are the responsibility of Aquatrine Service Providers. The Authority is responsible for water/waste water services inside the building. Any agreed and authorised structural changes to a building become the responsibility of the Authority. Cosmetic finishes such as floor coverings and wallpaper etc are the responsibility of the Contractor to maintain and replace as required. Systems that form part of the wider Authority maintained infrastructure such as central heating remain the responsibility of the Authority. An interface matrix showing the relationships is at Annex B. This should be completed for each site by the Commercial Branch concerned and used to assist in the production of the contract.
- 1118. The Contractor will be responsible for immediately reporting in output terms any building and GFE maintenance requirements and for the security of the building in accordance with single Service procedures. It must be understood by the Contractor that he cannot make alterations or repairs to the Authority part of the infrastructure without the express permission of the Authority. The Authority must ensure that any agreed works service requests are actioned expeditiously. Any failure on the Authority's part that may affect the delivery of the service to the consumer will not affect the KPIs to the detriment of the Contractor. In the event of Authority owned fridge/freezer failure resulting in a perceived loss to the Contractor, TLBs are to refund the Contractor the cost of the produce unfit for consumption, on the premise that the Contractor has made all reasonable precautions to safeguard or redistribute stocks; Authority staffs are to refer to the terms and

conditions of the contract for further guidance. Any maintenance requirements are to be actioned in accordance with local arrangements with the appropriate RPC. It should be noted that RPC maintenance response times are based on functionality and not necessarily assets; this should be agreed at local level.

- 1119. The Contractor is to nominate a senior individual to be the building custodian who will undertake the responsibilities laid down in the site/establishment standing orders. The Contractor must liaise with the Authority to ensure that the correct unit procedures are followed for emergency access during the silent hours.
- 1120. Cleaning. The Contractor is to assume all cleaning responsibilities for any GFE in the buildings and the assets transferred to him to deliver the CRL/PAYD and Associated Services to meet the KPIs as detailed in Schedule 4 of the contract and to meet all statutory requirements. The Contractor is to ensure that the infrastructure and all items of catering equipment are regularly cleaned in accordance with statutory requirements. Ventilation canopies, (including filters), ventilated ceilings and all visible surfaces of any ventilation or extraction system shall also be regularly cleaned and additionally be periodically deep cleaned according to the particular requirements of the unit in accordance with statutory requirements (DE Technical Bulletin 96/17 -Hygienic cleaning of food rooms and catering equipment (deep cleaning) Specification 0380). For some sites another contractor may have the responsibility for the provision of this service; contracts need to be checked to ensure that the Authority is not paying twice for this service. Schedules of cleaning (and hence equipment being temporarily off line) are to be agreed in advance between the Authority and the Contractor. In addition, there may be some equipment not handed over to the contractor that requires regular cleaning (e.g. mess silver). In this instance, the cleaning of this equipment must be included in the cleaning schedules of the contract. In addition, the Contractor is responsible for the provision of all cleaning materials (including disposables/consumables).
- 1121. **Utilities.** Utilities should be provided to the Contractor for the provision of the basic service in accordance with the welfare guidelines¹. Utilities for those buildings that the Contractor uses for a purely retail service are to be paid for by the Contractor. Ideally, metering for electricity, gas and water supply should be installed via digitally pulsed meters complete with an interface unit and a 30-minute recording facility linked to the Building Energy Management System (BEMS). A pre-contract measurement of usage established as a baseline against which future billing for the core service, if necessary, must be established.
- 1122. One of the following 3 methods can be used:
 - a. **Authority Payment.** Where no separate metering is in place or, due to the colocation of the facility with accommodation (e.g. Officers' and SNCOs' Messes) it may not be feasible to meter due to the expense and thus the Authority will have to accept the charge. In such cases the Authority must calculate the pre-CRL baseline and monitor overall utility consumption. If consumption rises, this must be discussed with the Contractor with a view to recovering additional costs. The Unit should encourage the Contractor to save energy where possible.
 - b. **Joint Metering.** This is a facility whereby the meter permits some time, commonly from 1 hour before core breakfast commences until 1 hour after core dinner ceases, to be paid for by the Authority whilst the remaining hours are paid by the Contractor. This method does not always encourage the Contractor to save fuel and therefore does not meet government energy efficiency targets. It might also encourage the Contractor to make his service provision such that the majority of cooking is done in the time paid for by the Authority.

Welfare provision detailed in SPEG 19/03. JSP 456 DCM Volume 4

- c. **Contractor Payment.** Provided metering is in place, the Unit work out the fuel payment for the past years and, include this in the payment to the Contractor for the service. The Contractor is then responsible for the bills and is encouraged to save fuel accordingly.
- 1123. **Ex-NAAFI Accommodation.** The Contractor shall pay to the Authority, on a monthly basis, all contributions (including deductions from salary) made by the Contractor's employees occupying residential accommodation as part of their terms of employment for occupation of the residential premises. In return for this contribution, the Authority shall accept liability for payment of utilities & Council Tax for the residential accommodation occupied by the Contractor's employees making that contribution. The Contractor shall not take any management fee, handling fee or withhold any amount of the employee's contribution, which shall be passed in full to the Authority. Where accommodation is occupied by ex-NAAFI employees, a separate residential lease will be required.
- 1124 **Public Funded Initatives (PFIs)/Public Private Partnership (PPPs).** There are issues in the PFIs/PPPs regarding the management of assets in these types of contractual arrangements. Advice can be obtained from the Private Finance Unit or the appropriate Director Commercial.
- 1125. **Defence Estate Leases.** Buildings used by a contractor to deliver CRL/PAYD services are to be leased to the Contractor for the period of the contract in order to avoid rights of occupation and the avoidance of the creation of business tenancies. This lease forms an integral part of the contract between the Authority and the Contractor. The lease for each site complete with supporting drawings will be provided and administered by Defence Estates. Defence Estates are responsible for securing Leases. The Procurement Team should liaise with Defence Estates at the earliest possible opportunity to discuss the procurement strategy. The key activities that must occur in the management lease process prior to entering in to a contract are at Annex C.
- 1126. **Assets/Buildings Overseas.** Overseas property occupied by the MoD belongs to the Host Nation and/or private landlords. Consequently, buildings/assets are not transferred to the Contractor in the same manner as the arrangements applicable for GB. The CRL/PAYD provider is given property for such operations as a store as part of a synopsis occupation. Under no circumstances are facilities to be handed over to a CRL/PAYD provider without the synopsis entitlement. The MoD will not support non-synopsis accommodation being handed over to the CRL/PAYD provider without any form of occupational agreement to protect its own position. Therefore, it is essential that DE in respective overseas locations is engaged to consider the operational risks of transferring accommodation to a CRL provider. DE is also to be consulted where housing is/has been offered to the CRL/PAYD provider to verify correct contractual procedures are effective for that location.

1127 - 1199. Reserved.

Sponsor – Defence Estates

(INTENTIONALLY BLANK)

ANNEX A - BUILDINGS, FACILITIES & ASSETS CONDITIONS

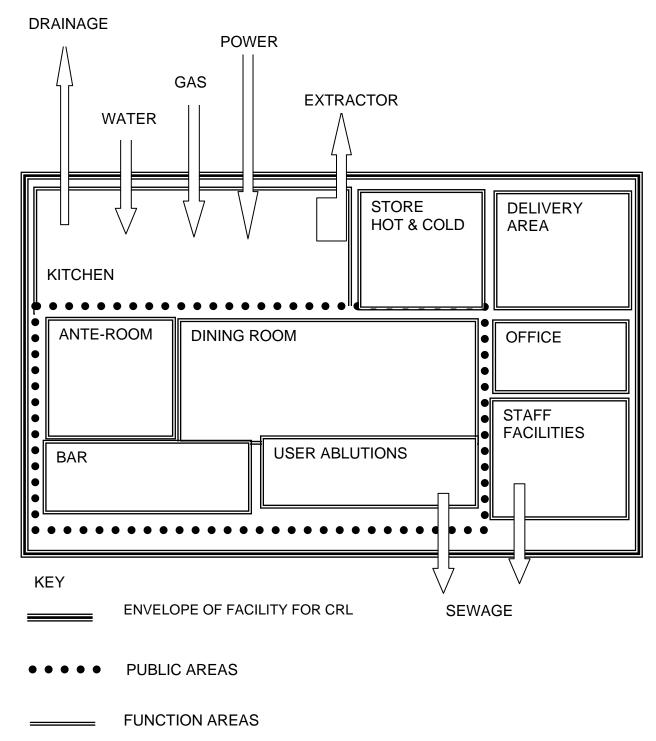
ASSETS

- 1. Schedule 2 Conditions of Contract Section 11 details the provisions for the transfer, management and retransfer of assets used in the delivery of the CRL services.
- 2. Equipment remaining the responsibility of the Authority (GFE) shall be provided free of charge, solely for the purpose of the Contract but the Contractor is liable for any damage to GFE arising from mis-use. The Authority shall endeavour to ensure continuity of the allotted facilities and assets, however, any failure to do so shall not be deemed to be a breach of the Contract. Under such circumstances the Contractor shall continue to perform the Contract subject to any changes agreed with the Authority. The Authority shall not be liable for any loss of earnings attributable to unavailability of GFE through an act of God.
- 3. Any costs resulting from agreed infrastructure changes required by the installation of new Assets by the Contractor will be met by the Contractor as part of its capital expenditure programme.
- 4. Responsibility for the maintenance of shared Assets will be agreed at the time of the Asset transfer. Shared Assets might include fire alarms and building management systems that may be connected to buildings occupied, and equipment used by the Contractor.
- 5. The Contractor shall be responsible for any negotiations it has with NAAFI for the transfer of any stock or equipment from NAAFI to the Contractor. The Contractor is to ensure a smooth transfer of the service provision on the site.
- 6. The Contractor will be responsible for maintaining Assets in their ownership, in a reasonable, serviceable and safe condition in line with the manufactures' recommendations. The Contractor will maintain GFE in accordance with site procedures. The Contractor will be required to keep and maintain maintenance records or log-books for all Assets it leases. The Contractor shall provide complete and accurate Log books and maintenance records for the Assets to the Authority on termination or expiry of the Contract and shall otherwise make the log books and maintenance records available for inspection by the Authority upon request.
- 7. Compliance with any applicable legislation relating to Health and Safety or Environmental requirements and directly relating to the Assets (including any changes that come into force) shall be the responsibility of the Asset owner.

(INTENTIONALLY BLANK)

ANNEX B - RESPONSIBILITIES

<u>1. Introduction</u>. This document sets out to derive protocols for determining the boundary limits of responsibilities between the Regional Prime Contractor and CRL service provider. In order to determine what is in and what is out of each other's scope of supply the facility in question is defined broadly and then broken down into discrete areas or services that can be assigned responsibilities.



Description	RPC	CRL Contractor	Comment	
1. Infrastructure				
Walls	All excluding internal painting of non-public areas	Painting of walls non-public areas		
Roof	All excluding ceilings in non-public areas	Ceiling of non-public areas		
Extractor fan duct	Enabling works only	Uses RPC to carry out enabling works to install		
Fixed Access and Egress Equipment				
	All fittings	Cleaning - internal	Doors and associated equipment	
	Cleaning – external to building			
3. Windows				
	All fittings	Cleaning – Internal		
		Cleaning External		
4. Power/Gas				
	RPC responsible up to the socket/isolation point/stop		Where junction box/fuse box exist sub-meter distribution systems may be such that sub-metering cannot be possible, for say lighting	
Lighting				
	All external lighting	All internal lighting	Electrical lighting such as bulbs, fluorescent tubes and fittings etc	

JSP 456 DCM Volume 4 11B - 2 Third Edition

Description	RPC	CRL Contractor	Comment
Other Consumables			
			Consumables e.g. fuse heating element
Portable electrical appliances			
	Authority may audit through RPC	Testing and maintaining. contractor tests (duty of care)	
<u>Drainage</u>			
	Integrity of fixed drain pipe work is RPC priority	 Contractor responsible for keeping drains clear up to the first manhole (or as per Aquatrine arrangement) Repair accident damage 	
Flooring			
		Renewal and Maintenance	Cleaning
Interior walls and decoration			
		Painting CRL contractor responsible for envelope occupied with exception of areas of public use viz. dining room, bar, user ablutions	Including painting ceilings and maintenance
<u>Furniture</u>			
		Entire envelope CRL	Tables, chairs, stools, desks, lockers etc

JSP 456 DCM Volume 4 11B - 3 Third Edition

Description	RPC	CRL Contractor	Comment
			Maybe with exception of regiment furniture such as trophy cabinet
Heating and Ventilation			
Telecom		Responsibility of CRL (because CRL responsible for ambience)	Fixed equipment e.g. air conditioning overhead fans heaters etc
Telecom		Responsibility of CRL Contractor unless otherwise provided by the Authority as stipulated in T&Cs of the contract	Up to socket telecommunications provider responsibility

JSP 456 DCM Volume 4 11B - 4 Third Edition

The general rules above can be applied to more specific requirements

- 1. <u>Defining The Facility (to be taken over)</u>.
- Kitchen
- Dining Room
- Parking Allocation
- Washer
- Storage/including cold
- Staff facilities
- Delivery/Access etc
- Security
- Bar

<u>Note</u>: When assigning responsibilities for Facilities within the scope of each others supply, the RPC and CRL service provider are to be involved in agreeing items to reduce the instance of gaps in service/areas of duplication.

Description	<u>Responsibility</u>		<u>Comments</u>
	<u>RPC</u>	CRL	
Kitchen			
 Cookers and other fixed equipment eg sinks, cupboards etc 			
 Walls and decorations 			
■ Floors			
■ Drains			
Heating			
 Ventilation and cooker extractor 			
■ Power			
Lighting			
■ Gas			
 Water Supply 			
■ Windows			
Pots and pans			
 Ladles, spoons etc 			
Portable electrical appliances			
Fridges freezers			
 Servery counters and loose equipment, trays, dishes etc 			
 Apparatus 			

JSP 456 DCM Volume 4 11B - 6 Third Edition

Description	<u>Responsibility</u>		<u>Comments</u>
	<u>RPC</u>	CRL	
 Parking Allocation - No. and allocation of spaces 			
Washer			
■ General			
Food washer			
- Oil			
Cleaning agents			
Receptions - bins, skips			
Macerated waste			
Collection and disposal			
Licensed disposal			
Delivery and Access			
 Dock levellers and equipment 			
Roller shutters etc			
 Areas for lorries/vans 			
 Porterage 			
Security and Fire			
Buildings			
Personnel			
Intruder Alarms/O 'IDS'			

Description	<u>Responsibility</u>		<u>Comments</u>
	<u>RPC</u>	CRL	
■ Telecom/PA			
 Extinguishers and associated kit 			
Dining Room/Bar			
 Tables and chairs 			
 Cutlery and cruet 			
 Heating and ventilation 			
Lighting			
■ Power			
 Water supply 			
 Vending Machines 			
Cushions			
 Carpets 			
Flooring			
 Trays and Trolleys 			
 Access and Egress 			
 Table Linen, provision and cleaning 			
■ Windows			
 Decoration 			
 Miscellaneous - table mats, coasters etc 			

Description	<u>Responsibility</u>		<u>Comments</u>
	<u>RPC</u>	CRL	
Regalia			
■ Apparel			
Crockery			
■ Toilets			
 Glassware 			
 Trophy cabinets 			
Storage			
■ Larder (dry)			
 Cold rooms 			
Fresh food			
 Prepared food 			
Cook/chill facilities			
Pallet/containers etc			
 Cellars and empties gas 			
Cupboard			
 Detergent storage hazmat 			
Flooring			
 Walls and decorations 			
Staff Facilities			

Description	<u>Responsibility</u>		<u>Comments</u>
	<u>RPC</u>	CRL	
■ Rest room			
■ Showers			
 Changing rooms 			
■ Lockers			
■ Toilets			
 Uniform/Laundry 			
■ Office			
■ Furniture			
Heating			
 Ventilation 			
Lighting			
 Decoration 			
Flooring			
Telephone/internet			

ANNEX C -LEASES PROCESS

- 1. Draft ITN include Generic lease ('contracted-out' of security tenure provisions of Landlord & Tenant Act 1954).
- 2. Engage local Defence Estates representative.
- 3. Issue ITN.
- 4. Conduct evaluation.
- 5. Select preferred bidder.
- 6. Contractor to instruct his legal representative and submit comments to Defence Estates Defence Estates to engage Lawyers as appropriate.
- 7. Red line drawings agreed between MOD & Contractor.
- 8. Defence Estates to provide drawings and advice.
- 9. Final Form of lease to be agreed.
- 10 Health Warning Notice issued by Lawyers.
- 11. 14 Day Notice period/Statutory Declaration observed.
- 12. Lease signed by contractor.
- 13. Lease signed under seal by DE Sutton Coldfield.
- 14. Offer of contract made including Final Form of lease.

(INTENTIONALLY BLANK)