

No: 371/2020

10th July 2020

For the Immediate Attention of All:

Postal Branches
Divisional Representatives

Dear Colleagues

Royal Mail Review of Future Catering Provision Tender Activity (Quadrant Joint Venture)

Branches and representatives will recall that in August 2019 the department issued LTB 475/19 advising that the Royal Mail Board had taken the decision that the existing contract with Quadrant would not be automatically extended and that they intended to undertake a commercial tender process.

Royal Mail informed us that the tender process would commence in August - September 2019 and would follow three key stages:

1. August 19 – September 19 - Pre-Qualification Stage
2. September 19 – January 20 - Request for, and evaluation of, outline solutions stage
3. February 20 – April 20 - Request for Detailed Solutions

These phases were concluded and the company entered into detailed discussions in relation to the potential solutions submitted at Stage 3 and LTB 135/20 on Quadrant Pay issued on the 17th March 2020 confirmed that Compass Group/Quadrant had advanced to the latter stages of the tender process.

Clearly at that point the Covid-19 crisis had the potential to affect the timelines outlined and the department requested that the process be suspended due to the events, a request which Royal Mail rejected

Of course the pandemic has raised general concerns around job security and the department has been receiving a number of enquiries concerning the status of the tender activity, as our members are aware that the current Quadrant contract is due for renewal on the 1st October 2020.

Throughout the process the department's priority has been to ensure that our Quadrant member's long term job and standard of living security is protected and that they are fully supported. The issue of communication has been a constant issue with Royal Mail who have insisted on strict commercial confidentiality, even to the point where the Union were asked to sign a non-disclosure agreement restricting our ability to consult or communicate with our members. We declined to sign the NDA and as a result detailed information around the tender has been withheld, though we have been updated periodically on the process.

Given the increasing levels of concern however the department have taken the decision to issue this communication, even though the current situation continues to restrict our ability to fully share information

and we have been unable to convince Royal Mail to release an update. At the time of preparing this LTB we understand that RM are in final contractual negotiations with the preferred bidder and that it is anticipated that the contract will be signed before the end of July 2020, at which point a formal announcement will be made.

Following the confirmation of the contract, any necessary discussions will take place between the department and the successful bidder in respect of any changes that are required going forward and Colleagues will of course be updated as to progress in this regard at the appropriate time.

However, to provide some assurance we anticipate that the new contract will be based on the current Catering Estate and provision of service to our Royal Mail Group members, notwithstanding the current Covid restrictions. While the nature of the service offering has been evolving over many years we do not anticipate that the continuity of employment of any Quadrant employee will be directly affected by any contract change.

Branches will be aware that Quadrant is currently the subject of a Joint Venture between Royal Mail and Compass Group, where Royal Mail are the senior partner. The department has sought ongoing commitments from Royal Mail in relation to this aspect and the implications should any new contract change the status of the Joint Venture. We have requested a meeting as a matter of urgency to progress these discussions.

In the meantime, we understand that the tender process has been a very unsettling time for our Quadrant members, who are understandably worried about their future employment. The restrictions on our ability to communicate have been extremely frustrating but it has been necessary to balance our wish to be open with the need to not undermine commercial discussions, which could prolong the period of uncertainty. The department are however hopeful that by the end of July 2020 there will be clearer understanding available, which will enable Quadrant members to make informed decisions going forward.

Any enquiries in relation to this LTB should be addressed to Davie Robertson, Assistant Secretary, email: dwyatt@cwu.org quoting reference: 311.02

Yours sincerely

Davie Robertson
Assistant Secretary