

Shao Brothers Company Limited
Operations Management Plan
for the
Provision of Laundry on Board HM Ships
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1 INTRODUCTION

1.1 This Operations Management Plan may also be referred to as the Service Management Plan. The term “Service Management Plan” is occasionally used in other Management Plans that are relevant to the Service Delivery of the Task.

1.2 This document is produced by Shao Brothers Company Limited under the contract between Navy Command and Shao Brothers Company Limited to fulfil the requirements of the “The Provision of an On-board Laundry Service to Major Royal Navy Surface Warships”. Unless otherwise stated, all references to Shao throughout this document refer to Shao Brothers Company Limited.

1.3 This Operations Management Plan is to be used on conjunction with the following plans:

- Quality Management Plan
- Safety Management Plan
- Training Plan
- Communications and Stakeholder Plan
- Transition and Mobilisation Plan

1.4 The Executive Director is to ensure that all the required draft policies, plans and procedures are updated and provided to the Authority within the required period between Contract Award and Service Commencement. He is also to ensure that the plans are reviewed on a regular basis and any changes required are incorporated and disseminated. The Operations Director is to ensure that copies of the various Plans are available to all those that have the need to use the Plans.

2 ORGANISATION

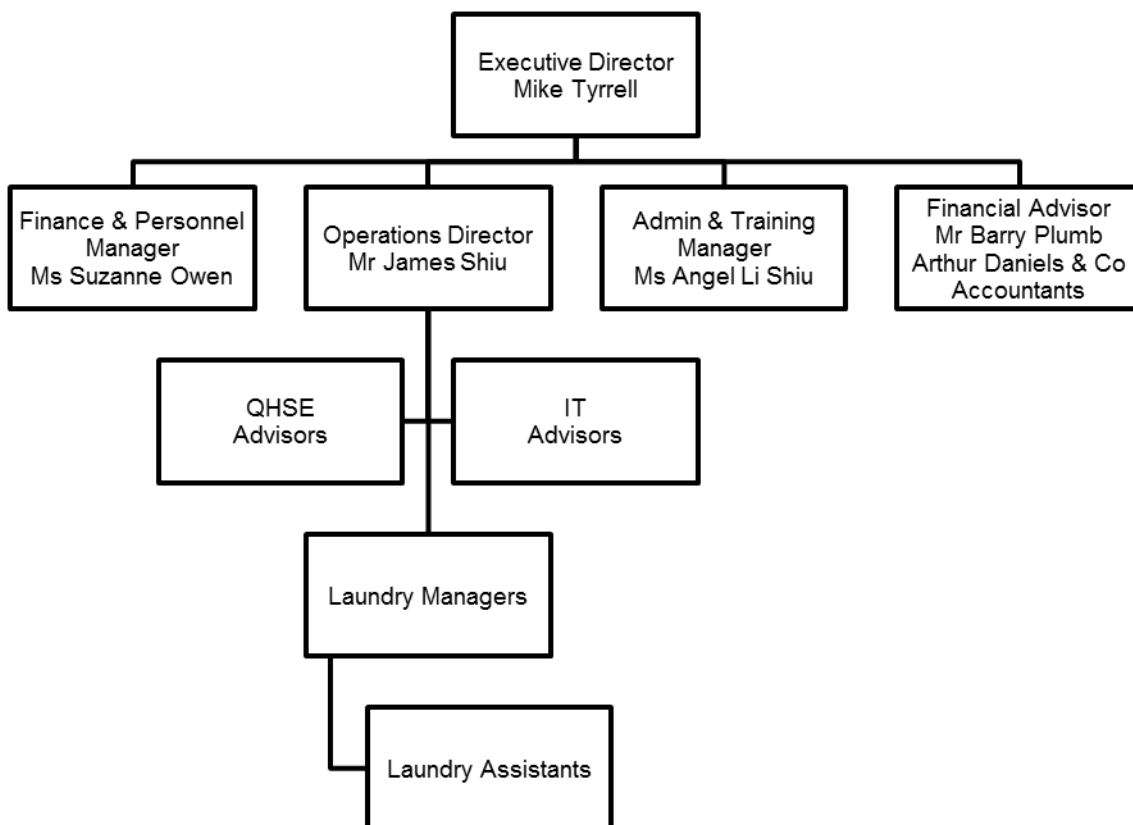
2.1 High-Level Management Structure

The Shao high level management of the Laundry Service contract will be based in offices based in Portsmouth Naval Base. The Executive Director and Operations Directors based in Portsmouth will be supported by Finance and HR Manager and an Administration and Training Manager together with a support element in of external Consultants in the Finance, QHSE and IT disciplines. There are long standing relationships with all external Consultants and this will facilitate a close working relationship to enhance operational, financial, IT, QHSE and administrative services and

enable swift reaction to programme changes, unexpected requirements and any potential clash of operational and support priorities.

2.2 Company Structure

To deliver the Fleet Laundry Services contract it will be necessary to define a company structure to meet the needs of the business. This is shown in the figure below.



2.3 Support Office

The role of the Shao Support Offices in Portsmouth with regard to the provision of Laundry Services is to provide management, operational, quality, safety, financial, personnel and administrative support to the Laundry Managers and their afloat teams.

The Support Office will be based in Portsmouth. The Directors and senior management will be provided with workstations with full access to the information systems necessary for the management of the service. Shao will operate a secure and modern Management Information

System maintained remotely with a full suite of IT office management equipment at the workstations. The IT Office Management system has been specified by an external consultant specialist, Reticom Ltd, who will also have responsibility for procuring any replacement equipment, installation and setting to work. Reticom also provide a remote data back-up and data storage facility to ensure that all data is retrievable in the event of fire etc at the office premises. MIS information can also be made available to the Authority's representatives should they wish it. The Executive Director will have ultimate responsibility for the full scope of service delivery to the customer. He will have the benefit of being able to draw on the specialist skills within the Support Office, particularly the specialist skills of the Operations Director who has a uniquely wide experience of afloat laundry services. The operation will be subject to monitoring and review by Directors to ensure propagation of best practice and for staff appraisal/development programmes.

2.4 Shao Brothers Company Limited

2.4.1 Shao Brothers have been providing Laundry Services aboard Major Surface Warships of the Royal Navy since 1947. In particular, prior to 1997, they provided a continuous service aboard the Royal Navy's capital ships for many years, including HM Ships Bulwark from commissioning in 1954 until decommissioning in 1979, Belfast, Ark Royal and Illustrious. In addition, they managed laundry teams on other major surface ships. As one of the main "Unofficial Laundry Contractors" prior to 1997, they brought a detailed knowledge of the requirement to manage and operate laundry services, and had established a reputation for total quality and value for money. Their employees were dedicated in their support to the Royal Navy and had, in many instances, spent many years in the same ship, only returning to their homes in Hong Kong on infrequent occasions as allowed by the requirements of warships' operational programmes. The loyalty of Shao Brothers Company Limited employees was legendary, with disciplinary problems almost unknown. This loyalty was reflected in the award of the MBE to Mr C M Shao and the award of the BEM to Mr C K Shao who were the two founding members of the Company.

2.4.2 In 1997, Shao Brothers combined with Serco Ltd to form Worldwide Laundry Services and both the current Shao Executive Director and the Operations Director were involved in this venture from the start. In 2010, Shao bid for the contract in its own right and was successful. Thus, the current Shao Directors have over 18 years' experience of providing a formal contracted laundry service to the Royal Navy.

2.4.3 The skills and attributes of the afloat laundry staff, the majority of who have over 18 years' service, have brought considerable benefit to the provision of laundry services on HM Ships and

we seek to continue this excellence of service. Combining our past experience of delivering a quality laundry service, we will take the opportunity to examine and review current practices and further develop a management approach and organisation that we believe will continue to deliver long-term benefits. Our management approach will be to maintain the excellent relationships that we have always had with the customers afloat and ashore and to co-ordinate carefully the overall management strategy with the aims and ambitions of the Authority.

2.4.4 Shao Brothers Company Limited combines a deep understanding of the professional and operational requirements of an afloat laundry service with a management team that has a deep public service ethos to improve services by managing people, processes and support services more effectively.

3.0 TRANSITION AND PHASE IN

3.1 As an exceptional afloat laundry services provider, with substantial experience, Shao Brothers fully understands that a meticulously planned and executed Transition and Phase-In Plan is fundamental to the successful implementation of any new contract. In the case of the Provision of Laundry Services on HM Ships, this is even more important, as any failure to anticipate and counter risk could, ultimately, have an effect on the operational credibility and reputation of Shao Brothers and, more widely, the Royal Navy. Even though Shao is the incumbent Laundry Services provider, there are significant changes in the new contract that need to be recognised, with the Transition Plan taking these changes fully into account. Shao Brothers will ensure a smooth and seamless transition to the Contract maintaining full service delivery, at the same time providing the Authority with an unbeatable combination of low risk, high safety and best Value for Money. The detailed Transition and Mobilisation Plan addresses the principal activities that Shao Brothers intends to undertake in preparation for the continued provision of the Laundry Services activities.

3.2 Our planning and implementation processes identify and mitigate the transitional risks to the Authority and ourselves arising from the changes to the Contract, as well as clearly identifying the resources required to ensure that the Transition and Mobilisation is a success. The result is a plan that is comprehensive but flexible enough to meet the changing needs of the Authority, and that guarantees the safe and efficient delivery of Laundry Services.

3.3 A detailed Transition and Phase-In Plan forms part of the overall suite of Management Plans. This will be supplemented by an accompanying Project Plan and Gantt Chart that will be developed immediately following announcement of Preferred Bidder.

4.0 HUMAN RESOURCES AND TRAINING

4.1 Introduction

The delivery of Human Resources (HR) goals is key to the successful operation of the Laundry Services contract. The business goals will rely heavily on the Personnel Management of existing staff; the recruitment of new staff, the training of all staff and the overall management of their employment. We will set goals that are realistic yet challenging and which will enable the contract to be more flexible and thus more re-active to the Services need. Staff will need to recognise that they operate in a time of financial constraint when the fiscal pressure on the Royal Navy is real if front line services are to be maintained at the highest level. We therefore need to put in place processes which ensure productivity whilst at the same time rewarding staff for their skill, commitment and loyalty. Retention of experienced, well-motivated laundry staff is a high priority which will be addressed through appropriate and attractive incentivised salary levels and encouragement for personal and professional development. To achieve these aims, the Operations Management Plan describes our approach to both HR and training.

4.2 Training

4.2.1 General

Shao considers that the Training of staff is of vital importance to ensure that the highest possible standard of performance is achieved. The principal elements of a Training Plan include:

4.2.2 Training Standards

4.2.2.1 The standards that will apply to the laundry staff are those defined in the Laundry Services ITT and/or as recognised and governed in the Standards of Training and Watch-keeping Certification (STCW '95) as amended. Specific pre-employment and continuation training will be provided in the areas of:

- Basic Sea Survival Training to Navy Command Standards provided through an Embarked Forces Sea Safety Course (EFSSC) provided at HMS Excellent or HMS Raleigh.
- Basic First Aid Training and Examination to MCA standards.
- Basic Fire Fighting Training provided through the EFSSC course.
- Health, Safety and the Environment and Risk Awareness Training.
- COSHH Awareness Training.
- Specific Laundry Initial Trade Training and Continuation Training

4.2.2.2 The employee will also be expected to hold a valid ENG1, MCA approved Medical Certificate.

4.2.2.3 These courses are repeated as required to maintain currency of the qualifications.

4.2.2.4 Arrangements have been made with the RN Course Booking Cell at HMS Collingwood for staff to attend EFSSC training. These courses are heavily booked but by working closely with the Course Booking Cell staff Shao Laundry Personnel can attend at short notice to take the place of uniformed No-Shows for training. In this way, our staff maintain the continuity of Certification and the RN is not paying for a non-attendee on the course. First Aid training and certification is provided through Warsash Marine College in Southampton or at an MCA approved location in Plymouth.

4.2.2.5 Any new employee is provided with essential professional training to ensure that he has the skills required to carry out laundry duties on board. The new recruit is also provided with a training plan and is always placed with an experienced Laundry Manager who will continue his professional training against the Plan. The Laundry Manager is required to confirm competence at each stage of the Training Plan. It normally takes 6 months for a new recruit to obtain an Operational Performance Standard as assessed by the Operations Director. Existing employees will be provided with refresher training as required and particularly when they are joining a ship where they have not served on that Class of ship before and also when new equipment is introduced into that ship. The Operations Director, who has a wealth of experience in providing afloat laundry services, provides the introduction to initial training and will provide the Training Plan to the host Laundry Manager. The training provided will be as recommended by the Society of Hospital Linen Services and Laundry Managers. This training focuses on the separation of possible areas of cross-contamination and is thus particularly relevant to the handling of the Sick Bay laundry items. The principal areas of training will be:

- Laundry hygiene, infection control
- Washing processes and applications
- Washing chemicals, usage and safety precautions.
- Energy conservation, monitoring and energy saving tips.
- Management / supervision of staff
- Machine specification for performance and operational safety.
- Textile handling and differing procedures, advantages & disadvantages. Knitted fitted etc.
- Work flow techniques, uses and relevance.
- Contract monitoring, quality and specification requirements.
- Target setting and how to improve efficiency.
- Laundry finishing and distribution
- Production planning, for efficient use of resources.
- Uniform, processing of, special handling requirements, distribution of completed items.
- Processing of curtains and other small volume items
- Risk assessments.
- Health and safety in the laundry.

4.2.2.6 The new recruit is normally placed on to one of the larger ships where his performance and training can be closely monitored and supervised by one of the more experienced laundry managers.

4.2.2.7 For the first six months of his employment, the new laundryman is considered to be under probation and it is only if he achieves a satisfactory standard in all respects that his appointment is confirmed. Thereafter, we have an established system in place whereby the performance of each laundryman is assessed by the Ships Laundry Officer to ensure an ongoing satisfactory standard. These Performance Review Reports are considered at routine Management Meetings with the Authority.

4.2.2.8 Training standards also apply to the professional qualifications required of staff based in the Support Office ashore. It is important to maintain and enhance professional standards and to ensure that appropriate management training is undertaken.

4.2.3 Identification of Training Needs

Shao maintains a detailed competency matrix that identifies in detail the types of training required, the professional, safety and operational qualifications required, and that identifies the amount of experience that is likely to be required for career progression. Our system has been developed to adopt the laundry services competency requirements and establish a competency matrix that is consistent across the contract. This system will be available as part of our Management Information System. Managers in the Support Office will have access to the data and will thus be able to manage the training needs of the workforce. The Designated Officer will have access to this matrix to assure himself that training and certification is up to the required standards at all times.

4.2.4 Training Delivery

There will be a combination of internal and external training delivery, ensuring the right balance between high quality and standardised best practice.

4.2.5 Safety Training

It is essential that staff performing Safety Critical Work (SCW) comply with all competency related legislation, procedures and standards. As described above, a comprehensive Competency Management System will be in place to ensure that all personnel engaged in work on safety critical systems undergo periodic assessments, so that the standards for such work are achieved and maintained continuously. A competent person will have demonstrated that they can consistently

perform work activities to the standard required. This is specified in a competence standard that defines criteria for the measurable outcome of a person's performance. We consider that this is particularly important in laundry services where the operator is constantly in a high risk area. The assessment process is core to the demonstration of compliance with regulations and for the utilisation of suitable competent staff when deployed to SCW tasks. All staff undertaking SCW shall be assessed as to their competence to carry out each item of SCW for which they are authorised. An example of this is our internal permit to work system. Operational tasks require our employees to be familiar with and competent to execute the tasks required of them. This system ensures that Shao staff are always competent to perform the tasks expected of them. Until such time as this Operational Performance Standard is achieved, staff will work under close supervision.

4.2.6 Operational Training

Ongoing Operational training will continue to be delivered as and when required. The Operations Director is required to carry out Internal Audits under the Quality Management System; whenever the audit identifies a shortfall, additional training will be provided. Operational training includes the requirement to train and assess operational staff undertaking safety critical duties; this is likely to include all the washing, drying and finishing activities. Appropriate Training will also be arranged to prepare laundry staff for the introduction of new equipment on to the vessels or the introduction of a new Class of HM Ship. In addition, where a member of staff is appointed to a Class of ship for the first time, additional Operational Performance Training will be provided. Of particular importance, will be the requirement to provide computer training to ensure that the requirements for computer based records and accounting can be met.

4.2.7 Nurturing Young Talent

We will encourage young people to join the company as vacancies occur by offering employment and development & training schemes throughout the Contract. We see the recruitment and training of local staff as a vital activity under the contract to meet the changed security requirements and we will offer training programmes and work experience to new employees. During the current Contract, we have recruited a number of new starts who have all completed their Operational Performance Standard and they are now providing excellent service on deployed HM Ships. We intend to continue this process into a new Contract.

4.2.8 Training Plan

4.2.8.1.1 In order to utilise resources efficiently we will produce a bespoke company training plan, in the following way:

- Analyse competency levels, training records, Customer Services reports, and operational requirements
- Determine training and development needs for all staff
- Produce an annual training plan, detailing requirements for training in the areas of technical expertise, service quality skills, and general management skills per job group

4.2.8.2 Once the bespoke training plan has been completed it is crucial to monitor its execution carefully. This will be the responsibility of the Administration and Training Manager

5.0 STAFF REQUIREMENTS

5.1 Manning Levels

5.1.1 The manning level on any individual ship will vary depending on the operation tasking of the ship, its area of operation and, in the case of HMS Queen Elizabeth, the LPD and HMS Ocean, whether there are significant number of embarked forces on board.

5.1.2. It would be normal on a Type 45 or Type 23 for there to be two laundry operatives on board when a ship is on deployment, a Laundry Manager and a Laundry Assistant. When in port in the UK, and with the agreement of the LDO, manning may be reduced to a single operative, provided always that we were assured that the single operative remaining on board was fully competent to meet all the requirements of the task. The manning on a CVS, LPD or HMS Ocean will again vary depending on the operational requirement. In the past, this has often been as high as 9 staff on a CVS when the ship has been deployed to an area of operational high tension, to a much lower level of just 3 staff when the ship is on a short deployment.

5.1.3. Whilst the basic manning levels for each ship can be planned by close co-operation with both the Laundry Manager and the Laundry Officer on each ship, there is also a need to consider the overall manning requirements of the contract so that there are a number of reserves who are able at short notice to meet absences or surges in activities. Shao Brothers are particularly aware of these possible short notice requirements as, during the current contract there have been occasions when we have had to provided additional or replacement staff for ships on deployment or support ships at short notice when the operational requirement has significantly changed. The Operations Director has had long standing relationships with many laundry staff, including those who have recently retired in the UK or in Hong Kong. We have identified four such persons who

remain fit and active and who would be willing to return to work on ships that are in port or on local running out of a UK port thus allowing other, serving, laundrymen to be deployed at short notice on other HM ships. We would intend that these “reserve” staff should keep their Security Clearances, passports, medical certificates and all other appropriate certificates up to date to enable them to respond to short notice requirements. To meet the requirement of the ITT, we have provided at Annex A an indicative manning requirement for 2015 which shows the highest number of persons required as being 32 in the single month of November. In addition to meeting this anticipated peak manning requirement, we have a few staff who have recently retired who have agreed to keep all their documentation current so that they can respond quickly to an unexpected arising. We have found from long experience that this flexibility is of vital importance in maintaining the service.

5.2 Roster Arrangements

5.2.1 The DLO (and his team) and the Laundry Manager on each ship will work closely together to ensure that the Laundry Opening Hours closely match the operational needs of the ship. Whilst the ITT allows that the Laundry may be closed on Sundays, we have found from experience that, particularly when a ship is at sea, all days are treated equally and it is beneficial for all concerned for the laundry to be open on all days for at least part of the day. When in port, a five or six day week may be more appropriate. Any roster that is provided would merely be indicative as the detail would be left to agreement on the ship. It is expected that when ships are carrying embarked forces, or are on special operations, the laundry staff will have to be particularly flexible to ensure that the operational requirement is met. In some circumstances, this may involve shift working to make best possible use of the laundry equipment and facilities available. In all circumstances, our staff will be briefed to ensure that whilst they are as flexible as possible in meeting the operational requirement, they must also strive to meet the requirements of the Maritime Working Time Directives. These Directives allow considerable flexibility to meet the ship’s operational requirements whilst protecting the interests of the seafarer.

5.2.2 When in a UK port, operational levels may be considerably reduced. At the same time, we know that this is also the time when laundry from the loan clothing store and other areas is carried out on a “catch up” basis. In any event, we recognise that this is something best left to decisions between the LDO and the Laundry Manager of the ship concerned.

5.2.3 We have found from long experience that the operational requirements of a ship can vary considerably from ship to ship depending on the Class of Ship, its area of operation, whether deployed or operating in the vicinity of the UK or whether embarked forces are carried or not. The

production of rigid rosters can be counter-productive to good management of the Laundry and laundry hours can best be left to agreement between the Laundry Manager and the Laundry Officer. Notwithstanding, and to meet the Authority's requirements, indicative rosters are provided at Annex B to this Plan.

5.2.4 We would expect the laundry to be open as a minimum between the hours of 0800 to 1700 during a full opening day. This would be broken into two shifts of 4 hours with an hour being allowed for meals and breaks. The Maritime Working Time Directive allows the seafarer to work 77 hours in any week provided always that the work in any one 24 hour period does not exceed 14 hours and that there is a minimum rest of 10 hours, in not more than two periods, with one period being of at least 6 hours. It can be seen that there is considerable flexibility within the system, and the MWTB allows further flexibility to meet the operational exigencies of the service. However, we consider that it is in the best interests of both Shao and the Royal Navy to ensure adherence to the MWTB so that we can both be assured of ensuring a "Duty of Care" to our staff.

5.3 Ethical Behaviour

5.3.1 We expect our afloat staff to behave in an ethical manner and to treat the Captain, Officers and Crew with respect at all times. In turn, we expect our staff to be treated with respect at all times. The ethical behaviour we expect of our staff includes the following:

- Opening the Ship's Laundry on time.
- Creating a good working relationship with the Laundry Officer, other Officers and crew of the ship.
- Providing a courteous and friendly laundry service.
- Showing no favouritism between customers.
- Showing respect for the feelings and concerns of others.
- Fulfilling their duties to the best of their ability.
- Setting examples of good conduct and behaviour.
- Practicing good housekeeping and hygiene techniques.
- Taking care to achieve good personal hygiene and personal appearance.
- Listening attentively and considerately to customers' complaints.

6.0 DUTIES AND RESPONSIBILITIES

6.1 Management Team Duties and Responsibilities

6.1.1 Executive Director

The Executive Director has overall responsibility for the development of business strategies and plans which are consistent with the Company's overall business objectives and for establishing and reviewing Quality policy and objectives. He is also responsible for ensuring that there is continuing commitment to the improvement of the Management System through the appointment of a Quality Advisor and a Director responsible for Quality as required by the principles of ISO 9001. The Executive Director may not delegate these responsibilities to another Director as the alternative Director has a responsibility for Quality.

6.1.2 Operations Director

Director Responsible for Quality

Operations policy and setting technical and operational standards.

Liaison and coordination with relevant Fleet Authorities

The continuous improvement programme

Attending Corporate Assurance Board

Appointing competent operational staff

6.1.3 Assurance Advisor and Director responsible for Quality

- **Reports to the Executive Director**

Management representative for quality and the environment.

Development of assurance strategy and policy.

Reporting on the performance of the Safety and Environmental Management Standards (SEMS) to the Executive Director.

Producing a Support Office audit programme.

Designated Person

Maintaining ISM, ISO9001 and ISO14001 Standards

Providing assurance reports to management as required.

Tasking of any independent safety auditor / advisor(s) considered necessary

6.1.4 Finance and Personnel Manager

- **Reports to the Executive Director**

Implement and Maintain Financial and Accounting arrangements in liaison with the Financial Consultant.

Maintain Accounting Ledgers, prepare Monthly, Half Yearly and Yearly Accounts

Maintain a Balance Sheet and Creditor and Debtor Records

Liaise with Banks with regard to deposits, withdrawals and Transfers of Funds

Raise all Invoices for Payment

Payroll arrangements for shore based and afloat staff

Overall responsibility for HR and Personnel Issues

Liaison with Offshore Manning Agency on contracts of employment

Act as Security Officer and arrange all required security clearances

6.1.5 Admin and Training Manager

- **Reports to Operations Director**

Maintain Staff training and familiarisation plans

Recruitment and induction process for local positions

Liaising with all departments to co-ordinate travel, leave and training requirements

Maintaining records of qualifications, training and experience of all staff.

Encouraging staff to improve and update their knowledge and skills.

Producing and submitting the annual training plan to the Operations Director

Maintenance of Non-Crown records of payments

Manage Meetings and Communications Plans

6.2 Laundry Staff Terms of Reference

6.2.1 Laundry Staff are employed offshore through Personnel Services International Limited (PSIL) which is part of the Bachmann Group based in Guernsey. Terms and Conditions of Services are issued by PSIL. Shao Laundry Services acts as an agent for PSIL and is authorised to issue Terms and Reference and Duties and Responsibilities to Laundry Staff.

6.2.2 Laundry Manager or Assistant Laundry Manager

General

To be appointed as a Laundry Manager, he will have at least 3 years previous experience at sea working in the laundry of one or more of HM warships or UK registered merchant ships. Preferably, he will also have served as an Assistant Laundry Manager in a CVS, CVH or LPD, but,

essentially, he will have served as a Senior Laundry Assistant on a warship. . He will have a good command of spoken and written English and be able to communicate easily with his colleagues and all members of the ship's company. He will have successfully completed the Shao Brothers Company Training Course, hold all the required certification, passports, security clearances and Naval Base Passes and fully understand his Terms and Conditions for service at sea. He will also have a good working knowledge of the Maritime Working Time Directive. He will fully understand his obligation to the individual warship Commanding and Laundry Designated Officers. He will have a clear and demonstrable understanding of the Shao Brothers Laundry Operating and Accounting Procedures and he will have demonstrated to the Operation Director that he is able to deliver a quality service. Ideally, he will also be in possession of a full UK Driving Licence. His Job description will include:

- To manage an individual warship laundry on behalf of Shao Brothers in accordance with the agreed Contract, and to the complete satisfaction of Commanding and Laundry Designated Officers.
- To take full responsibility for managing the laundry and to provide the agreed quality and reliability of service.
- To liaise with the Commanding and Laundry Designated Officer as necessary to ensure that any agreed variations to the requirement are undertaken.
- To produce records and returns both within his ship to the Designated Officer and by communications to the Shao Brothers Operation Director as may be required by the agreed Contract.
- To collect sums of money in return for Non-Crown laundry service, and to deposit them with the appropriate Officer on the ship or his authorised representative as instructed by the Shao Brothers Operation Director.
- To ensure that work and processes undertaken in the warship's laundry are carried out fully in accordance with agreed Company Quality and Health and Safety Plans and procedures and within the provision of the Health and Safety at Work Act 1974, the Maritime and Coastguard Agency requirements and IMO requirements as applicable to this nature of activity.
- To ensure as far as is possible the personal health and hygiene of his direct employees and to report any illness to the Designated Officer in accordance with the Conditions of Contract.

- To take an interest in the welfare of his immediate employees and to ensure their interests are represented in dealings with both the Shao Brothers Operation Director and the Commanding and Laundry Designated Officer.
- To fully supervise the standards of output of his Assistant Manager and Laundry Assistant(s), as appropriate and provide them with training as necessary to enable them to carry out their tasks in the most effective and efficient way, particularly when new equipment, items of clothing or laundering processes are introduced into service.
- To ensure that allocated facilities made available to Shao Brothers, whether in the laundry or in accommodation areas, are kept in a clean and tidy condition and are made fire safe and secure at the end of each day or shift.
- To facilitate access to the laundry by the Commanding and Laundry Designated Officers, or their representatives, as required carrying out inspections. In addition, to facilitate access for FOSF staff or other authorised person when required.
- To fully comply with orders and instructions given by authorised officers of the warship in which they are serving. In general, this pertains to emergency procedures, both for exercise purposes and in the real event.
- To comply with Security regulations as required, both in relation to shipboard matters and whilst alongside naval bases or civilian ports. To be familiar with and comply with Security regulation as applicable to Contractors.
- To be responsible for items of MOD Furnished Materials, Equipment and Facilities provide in support Shao Brothers operations, and to account for them to the Laundry Designated Officer as required.
- To report any accidents or breakages to the Laundry Designated Officer as soon as practicable after they have taken place.
- To report any breakdowns of machinery to the Laundry Designated Officer as soon as practicable after they have taken place.
- To report any loss or damage to laundry items to the Laundry Designated Officer as soon as practicable after they have taken place, as required by the Contract.
- To maintain a clean and smart personal appearance and be suitably dressed, particularly whilst on duty. This includes the wearing of Company uniform. This also includes the wearing of protective clothing as considered necessary by Laundry Manager or the Laundry Designated Officer and such other Personal Protective Equipment that may be required when instructed by authorised members of the Ship's Company.

The Laundry Manager is also to take particular note of specific actions and duties required of him in the Remedies Measures, Business Continuity and Crisis Management Plan. For ease of reference, these are produced below, however, it is recognised that some of these are complimentary and duplicated by items in the Terms of Reference above.

Category A Items: The Laundry Manager is to ensure that he uses appropriate laundry treatments to cleanse and remove all soiling from the articles, in accordance with the manufacturer's care label.

Category B Items; The Laundry Manager is to ensure that flame retardant items are to be laundered in accordance with the attached care label, in order to cleanse and remove soiling most efficiently without degradation of the fire retardant qualities of the article.

Category C Items: The Laundry Manager is to ensure that he uses appropriate laundry treatments to cleanse and remove all soiling from these articles. Care must be taken to minimise any degradation of the waterproof or water resistant qualities of the article.

Category D Items: The Laundry Manager is to ensure that he uses appropriate laundry methods to cleanse and remove all soiling from these articles. Care must be taken to minimise any degradation to the TOG value or fire retardant qualities of the article. Sleeping bags and duvets are to be cool and dry before being returned to the consignee.

Category E Items: The Laundry Manager is to ensure that sickbay laundry is kept separate from other laundry before, during and after the laundering process to prevent cross-contamination. The Laundry Manager is to note that the Authority will provide laundry staff with suitable PPE in order to safely handle soiled sickbay laundry and that heavily soiled sickbay items will be disposed of by sickbay staff via the clinical waste stream.

The Laundry Manager is required to launder articles within 24 hrs of delivery. He is to ensure that laundered items are bundled together appropriately and packed to avoid creasing for collection by the consignee at designated times. Each bundle is to be accompanied by a copy of the demand/receipt note to enable the consignee to confirm correct return of items.

The Laundry Manager is to ensure that all articles are to be returned to the consignee in a clean, dry and cool condition without any damage, colour change, heat shrinkage or other deterioration in quality, allowing for fair wear and tear. Items spoilt during the laundering process are to be notified to the consignee; the SLO will assess whether the Contractor is liable for remuneration. In case of dispute, the decision of the ship's Commanding Officer is final

The Laundry Manager is to ensure that the laundry shall remain open for a minimum period during the ship's core working weekday of 0800 to 1600 hours. These hours may be reduced or extended by mutual agreement between the SLO and the Laundry Manager in order to support ship's activities or during laundry compartment maintenance periods. Notwithstanding the above, the maximum hours of work of Laundry Staff are to be in accordance with the requirements of the Merchant Shipping Maritime Working Time

Directive.

The Laundry Manager may close the Laundry on non-operational weekends and during reduced ship's activity periods, as agreed with the SLO. The laundry may also be closed, or operate to a reduced opening arrangement or work carried out by another ship during block ship's leave periods. Any other periods of closure are to be agreed in advance by the Laundry Manager with the SLO and are to be notified to the Operations Director.

When ships are alongside in the UK for any length of time, the SLO will advise the Laundry Manager on the level of laundry service required and the Laundry Manager, after consultation with the Operations Director may advise an appropriate substitute laundry facility during these reduced activity periods; any alternative laundry facility must be agreed by the SLO prior to being arranged. The quality of service delivered during this temporary arrangement must not be compromised.

The Laundry Manager is to be responsible for reporting any laundry facility defects to the SLO immediately they arise, but shall not be responsible for maintenance activity generated by the Contract, unless due to misuse or negligent operation. In this latter case, under no circumstance must the Laundry Manager seek to rectify or make good any defects arising from misuse or negligent operation.

The Laundry Manager is to note that the Authority is responsible for the maintenance of the equipment. The Laundry Manager is responsible for ensuring that any defects that cannot be rectified are notified on the end of the month returns to Navy Command and Shao Brothers.

The Laundry Manager is responsible for cleaning the allocated laundry facilities and compartment, ensuring that they are maintained in a clean and tidy condition at all times, to the satisfaction of the SLO.

The Laundry Manager is responsible for securing the allocated laundry facilities at the end of each period of operation and ensuring that all appropriate fire prevention measures have been implemented. The Laundry Manager is to comply with the Authority's written instructions regarding security and fire prevention measures relating to the laundry facilities.

The Laundry Manager is to ensure that only appropriate quality washing powder, obtained through Naval Stores, is to be used to launder Service-issued items in order to preserve the flame-resistant, anti-static and water-repellent quality of articles. Probanised Cotton is used in the manufacture of Service-issued clothing and gives the wearer some protection from fire and problems due to static electricity; the use of incorrect laundry powder could degrade these properties. The Laundry Manager should note that Non-Service issued laundry powder and finishing products may be used by the contractor to launder personal items of laundry.

The Laundry Manager is to maintain a daily record of all Crown laundry undertaken using a Microsoft Excel spreadsheet in the format provided by the Company. In addition, the Laundry Manager shall maintain such other records and returns as are required by the Company. Each record contains details of daily laundry throughput for one calendar month and forms the basis of the monthly charge to the Authority.

The Laundry Manager is to maintain and retain appropriate local records of all non-Crown laundry undertaken which has generated individual laundry bills. Records will include the

Contractor's request form/receipt (laundry chits) and departmental Crown laundry lists; these records are required to facilitate audit and weekly spot-checking of the monthly laundry return and individual laundry bills as directed by the SLO.

The Laundry Manager is to maintain a record of all articles spoilt, damaged or lost by the Laundry on a form to be provided by the Company; this record is to be available for examination by the SLO. Liability for reimbursement will be determined by the SLO in the first instance and, in case of dispute, decided by a ship's investigation under the direction of the ship's Commanding Officer. All claims for lost or damaged items are to be forwarded to the Operations Director at the earliest opportunity.

The Laundry Manager is to maintain a record of all laundry compartment and equipment defects which are also to be reported to the SLO or other designated ship's officer immediately they occur. The record is to be maintained on a form to be provided by the Company. All defects that have not been rectified are to be reported on the end of the months returns to Navy Command and the Company.

The Laundry Manager is to maintain a record of all clothing, equipment and other materials provided by the Authority to the Contractor in support of the Contract.

The Laundry Manager is to maintain a customer complaints log, in a book to be provided by the Company, which is to be available at all times during laundry operating hours for use by consignees. This log must be available for inspection by the Ship's Laundry Officer at any time during the period of the Contract.

6.2.3 Laundry Assistant

General

The Laundry Assistant will have a good command of spoken English and be able to communicate easily with his colleagues and all members of the ship's company. He will have successfully completed the Shao Brothers Company Training Course, hold all the required certification, passports, security clearances and Naval Base Passes and fully understand his Terms and Conditions for service at sea. He will fully understand his obligation to the individual warship Laundry Manager and his Commanding and Laundry Designated Officers. He will have a clear and demonstrable understanding of the Shao Brothers Laundry Operating Procedures and he will have demonstrated to the Operation Director that he is able to deliver a quality service as a Laundry Assistant. His Job Description will include:

- To carry out laundry work within all areas of the Laundry within his competence and as instructed and demonstrated by the Warship Laundry Manager.
- To comply with Quality, Health, Safety and Security instructions given to him by his Laundry Manager and any authorised officer of the ship's company.

- To maintain a clean and smart personal appearance and be suitably dressed particularly whilst on duty. This includes the wearing of Company uniform and also the wearing of protective clothing as considered necessary by his Laundry Manager and Personal Protective Equipment as may be required and as instructed by authorised members of the ship's company.
- To bring to the attention of the Laundry Manager any illness or disease which may prove to be infectious or communicable, and any other ailment which could require medical treatment.
- To report any accidents or breakage to the Laundry manager as soon as possible after they have taken place.
- To report any loss or damage of laundry items to the Laundry manager as soon as possible after they have taken place.
- To report any equipment malfunction to the Laundry manager as soon as possible after they have taken place.
- To fully comply with orders and instructions given by authorised officers of the warship in which they are serving. In general, this pertains to emergency procedures, both for exercise purposes and in the real event.
- To comply with Security regulations as required, both in relation to shipboard matters and whilst alongside naval bases or civilian ports. To be familiar with and comply with Security regulation as applicable to Contractors.

6.2.4 Laundry Staff Duties and Responsibilities

6.2.4.1 The duties and responsibilities of the individual Laundry Manager, Assistant Laundry Manager or Laundry Assistant will vary not only from ship to ship but also on the activity being carried out. The attached diagrams show the main work-streams of activity and the work that would normally fall into that work-stream.

6.4.2.2 One of the particular responsibilities of the Laundry Manager will be to supervise the reception of items into the laundry. The separation of entitled Crown Laundry from Non-Crown laundry will be of particular importance at times when such separation is required. It will be expected that the DLO and the Laundry Manager will establish clear guidelines on what is admissible as Crown Laundry and what is not as well as defining the times or periods when the laundering of Personal Items will **NOT** be allowed at Crown expense.

6.2.4.3 Similarly, the Laundry Manager will provide his staff with clear instructions on the handling of Sick Bay laundry. Laundry from the Sick Bay should be delivered in appropriate water soluble bags or other approved or authorised bags and these should not be unpacked before washing. Therefore, counting of Sick Bay Laundry items is to be carried out after the laundry process. All Sick Bay laundry is to be strictly segregated and is not to be mixed with any other laundry during any laundry process.

The flow of activities in the Laundry will need to be carefully controlled by the Laundry Manager, particularly on the bigger ships, to ensure throughput is maintained. Indicative flow charts of activities are attached below:

Flow chart

Flow Chart

7.0 STAFF EMPLOYMENT AND RECRUITMENT

7.1 We recognise that the key to an efficient, quality laundry service rests with our staff. If awarded the Contract, Shao Brothers recognise that there will be a continuity of employment for the existing members of the seagoing staff, together with the shore based employees. We believe that there will be considerable added value from the continuity of employment of existing laundry staff to the extent that they are all familiar with the operational task. This continuity of employment could be in doubt under the long term plans of an alternative employer. Moreover, the Shao management team have considerable previous experience of meeting the existing contractual requirement and they are all very familiar to the afloat staff.

7.2 The current afloat Laundry staff are employed through Personnel Services International Limited (PSIL). PSIL are wholly owned by the Bachmann Group which is based in Guernsey. PSIL is operated and managed on a day to day basis from within Bachmann Group resources in Guernsey. The Shao Executive Director is very familiar with the requirements of the offshore employment of seafarers on British Flagged ships and this experience is of vital importance in ensuring that the UK regulatory requirements of offshore employment of seafarers working on British ships are met. Although Guernsey does not recognise the UK TUPE legislation, we would wish to advise the Authority that we did, in all respects, treat the transfer of existing staff to our employ from Serco Ltd on 31st December 2010 as if a TUPE transfer did, in law, exist. By taking this course of action, the employment rights of existing afloat staff have been fully protected. If Shao is awarded the Contract now under consideration, the TUPE rights of existing staff will continue to be fully affected.

7.3 PSIL have again recommended that, to limit liability, the future employment of staff should be on the basis of a voyage contract. This would mean that at the end of each period of duty on a ship, when proceeding on leave, the laundryman would be effectively out of employment. Whilst this may seem attractive, as there is no residual liability on the employer at the end of the voyage, we do not believe that this approach would be fair to those members of staff who have provided an outstanding service for many years. We have decided, therefore, we will continue to employ existing staff on PSIL continuous contracts of employment. Where new staff join the Company, they would be employed on a voyage contract basis until such time as we are fully satisfied as to their Operational Performance Standard.

7.4 The arrangements outlined above are entirely in line with the requirements of HM Revenue and Customs Inland Revenue Tax Bulletin – Issue 49, Offshore Manning Arrangements for Mariners.

7.5 Two agreements will need to be reached with PSIL. The first, a crewing provision agreement to supply the number of laundry staff necessary to meet the operational requirement; ideally this agreement would be with the Contract winning company. The second agreement would be between PSIL and the UK based organisation that is managing the day to day activities of the contract. This approach means that while PSIL is the legal employer of the seafarer, the day to day administration of the laundry staff will rest with our management team. While personnel records will be held in Guernsey, duplicate records will be held in our management offices. These two agreements are currently in place and, provided Shao are awarded the Contract now under consideration, PSIL will renew the two agreements.

7.6 It is inevitable that through natural wastage, or other requirements, there will be a requirement to replace staff through recruitment of additional personnel. Under the arrangements outlined above, our management team would have a responsibility to PSIL to advertise, interview and recommend new employees to PSIL, who would then issue contracts of employment. Shao would be responsible for all the required pre-employment and continuation training and for obtaining all passports and visas that might be required. Shao would have the responsibility to calculate the wages/salaries to be paid to staff but would then place PSIL in funds so that payment of staff could be made by the ultimate employer, PSIL. Again, we would seek to assure the Authority that the processes followed are those which are common in the commercial shipping world and are fully in line with both UK and Guernsey Law.

7.7 As the ongoing employment, offshore employment of staff will be vital to ensure continuity of service, the Shao Management Team has engaged in discussions with Bachmann Marine Services and PSIL representatives. As a result, both sides have agreed to work together for the mutual benefit of providing laundry services to the Royal Navy. A Memorandum of Understanding (MOU) has been agreed between the two parties and a copy of this MOU has been provided to the Authority as part of the Tender submission.

7.8 Our recruitment advertising would be focussed on those who are British Passport holders and living in the UK who we would be assured would meet the requirements of the required level of security clearance. To allow us to do this we would take action to require completion of MOD Form 1109, SC and CTC Questionnaire to satisfy ourselves, so far as is reasonably practical, that there is no reason why the appropriate security clearance would be withheld. Our pre-employment checks would also include obtaining assurances on the required standard of English, that the candidate has the ability to obtain an ENG1 Marine Medical certificate, and that he has an ability to swim. In addition, we would carry out checks to ensure that a candidate has the ability to use a computer and is both literate and numerate. Ultimately, we would make a recommendation to PSIL who would then issue a Contract and Terms and Conditions of Service on our behalf.

7.9 The Shao management team has a very close relationship with the existing laundry staff and we are aware that there is a considerable pool of talent that is extremely interested in the services we seek to provide and who meet all the pre-requisites of employment on the task. This does not imply that there would be any discrimination in our recruitment policies; however, we would seek to be assured that any new recruit has the same work ethic and motivation to provide a high quality and flexible service that will always be focussed on the operational requirements of the ship on which he is serving.

8.0 REMUNERATION PACKAGE

8.1 The current pay and conditions package provided to existing staff has been developed over a considerable period of time by the Executive Director and the Operations Director and dates back to 1997. At the centre of the arrangement is an incentivisation scheme that rewards laundry staff with a share of overall laundry throughput. It is possible to consider paying the laundry staff a basic salary, as is common in the merchant service, for example in the RFA or on cruise liners, however, we have discounted this approach as we believe that the same level of flexibility and service will not be provided unless the incentive to perform is retained. Our staff recognise that the changes to the OWP laundry allowances will affect their position but we have a duty to ensure that our staff will be fairly recompensed for their efforts. We believe that the revised Remuneration Package we will offer to employees will be acceptable to them and will ensure a standard of laundry service that the Royal Navy has a right to expect. Any draconian change to the Terms and Conditions of Service and the Remuneration package may well lead to a significant disruption of service and that is a possibility that we actively seek to avoid.

9.0 SECURITY CLEARANCE

9.1 We appreciate that the Shao Management teams in Portsmouth will require BPSS and SC clearance as will, ideally, all staff working onboard any HM Ship. Details of the Security Clearance status of all staff will be provided to Navy Command and ESyO on a quarterly basis.

9.2 All the existing afloat laundry staff have extant security clearances that have been arranged through the ESyO (HMS Excellent ESyO). At the commencement of the current Contact in January 2011, all Laundry Staff were issued with ZUA Security passes which allows access to the 3 major UK Naval Bases as well as some associated sites. During the period of the current Contract, ESyO and the Shao Security Controller have worked together to process as many of the seagoing staff as possible through the electronic DVA on-line clearance facility. This enhanced security clearance requires, inter alia, that an applicant has been resident at a UK address for a minimum of three years prior to the application. Ideally, a residency of 5 years is required.

9.3 The Shao HR Manager has previously acted as the Security Controller for a List X Company and is well versed in the processes and procedures necessary to obtain Security Clearance of staff.

9.4 Some of the existing staff do not have UK addresses and their ongoing security clearances are processed through the ESyO.

9.5 Our recruitment advertising for replacement afloat laundry staff would be focussed on those who are ideally (but not essentially) British Passport holders and those who can prove existing residency in the UK for the previous 3 (ideally 5) years and who we would be assured would meet conditions of the required level of DVA security clearance. As part of the recruitment and interview process, we would require those provisionally selected for employment to complete MOD Form 1109 in a paper form. We would also wish to sight at least 3 forms of identification; a current Passport from a country acceptable to DVA, a Driving Licence (Photo), and a birth certificate. We would also seek to take up 3 references. These details would be used to populate the Company Basic Check Verification Record which would be in the form of Appendix 6.3 of the Manual of Protective Security. MOD Form 1109 would be completed in all respects by the applicant, and by the Company, before being passed, together with a copy of Appendix 6.3, to the Designated Officer for initial issue of a ZUA security pass that would require the new recruit to be escorted. The ESyO would also set up access on the on line system for the Shao Security Officer to process the full security clearance application with the DVA.

9.6 We fully appreciate that the security clearance process inevitably takes some time, and any offer of employment made by PSIL on our behalf would be conditional on obtaining the appropriate security clearance. Whilst security clearance is being sought, it may be necessary to commence training, which would include training on board. Whenever there is a requirement for a new member of staff to gain access to a ship, in port, for the purpose of training, (on a RED Accompanied Base Entry Pass) he will be accompanied at all times by a colleague or manager who holds a full security clearance and who will have been briefed on his duties and responsibilities as an escort.

9.7 Under no circumstances will an employee who does not hold a security clearance proceed to sea on one of HM Ships without the express agreement of the Authority.

9.8 We note that the Authority will provide all the necessary passes for access to Portsmouth and Devonport Naval Bases and our Security Officer will work with the ESyO to achieve this. We have provided a laminated Company Security pass to all members of staff and we will ensure that these passes are updated to reflect the new contract dates. The format of the pass has been agreed with the Authority and we shall ensure that an up-to-date list of pass holders is provided to the Navy Command DO. In addition, we shall ensure that passes, including any Authority issued passes, are withdrawn whenever a member of staff leaves our employ.

9.9 All members of staff will be required to have a current signed copy of the Official Secrets Act retained on their personal file.

10.0 THE QUALITY PLAN

10.1 The Quality Plan is a deliverable management plan for the Provision of Laundry Services for HM Ships. The plan describes the Quality Management System that will be operated by Shao to ensure a consistently high standard of service is delivered to the Customer at all times. A Quality Management Plan is provided within the suite of Management Plans submitted with the tender.

10.2 Key Performance Indicators will be established as part of the Contract and the Management Team and Laundry Managers will be required to ensure that performance delivers a service that meets the client's requirements in all respects and that Report and Audit functions are established to highlight failings in performance standards, which will result in non-conformance reports being raised. Where necessary, corrective and preventive action will be taken.

10.3 All Shao employees will be required to be familiar with the Quality Plan and comply with its requirements.

10.4 Schedule 1 of the Contract, FLEET/00280, details the contract performance requirements and the quality standards to be applied. The Contract requirements are reflected in the Key Performance Indicators against which performance is monitored and measured.

11.0 CONTRACT AUDIT ARRANGEMENTS

11.1 Internal Quality audits will be carried out annually by the Operations Director on the Laundry services on all HM Ships at least annually. Percentage external audits will be carried out annually by the Shao QHSE Advisor. Where non-conformances are discovered, corrective actions will be raised and undertaken to clear the problem.

11.2 The DO, LDO or their authorised representatives will have ready access to review all work done by Shao laundry staff together with the associated documentation and records. The Customer can carry out their own QA monitoring and the Company will use the results of any customer audits to improve contract performance. Any deficiencies or discrepancies noted will be subject to rectification and/or correction by any date that is agreed.

12.0 SERVICE PROVISION

12.1 Processes

12.1.1 Shao Brothers have been providing laundry services to the Royal Navy for over 50 years that conform to contract, customer and company requirements. Shao Brothers recognise that since 1996, within Worldwide Laundry Services, the processes and procedures have been significantly improved. The processes and procedures were further improved when Shao took over the contract in January 2011. Whilst maintaining a flexible approach to the contractual requirements, Shao now intends to move these processes forward to another level to permit the further improvement of services from what is already a firm base. This will enable us to deliver an adaptable solution to the provision of Laundry Services to the Fleet as identified in the Contract.

12.1.2 Shao Brothers has drawn on the Director's wide experience of running successful contracts and the considerable experience gained within Worldwide Laundry Services in delivering quality laundry management systems on a world-wide basis. Our expertise in this area will allow

us to deliver a service that will conform to contract, customer and company requirements. Shao will undertake to continuously review all current processes and procedures with a view to retaining all that is good whilst making improvement where improvement can be made.

12.2 Management Information System (MIS)

12.2.1 Shao Brothers Company Ltd will operate an IT based Management Information System. All documentation including records will be held in the MIS and will be maintained by the Contract Administration. The system includes the following features and advantages:

- Documents can be viewed by all parties. Documents can be forwarded to the Contract DO electronically on request or the DO can access information in our offices through the IT System.
- Distribution can be electronic so no need for large numbers of paper copies
- Documents can be made “read only” if appropriate
- The issue is available at the point of use
- Better control of approval, update and formal issue
- Instant removal of obsolete documents
- Reduced storage and use of paper
- Restricted access for sensitive information
- Easily retrievable records
- Reduced risk from loss of paper documentation

12.2.2 A Master Index of Documents will be developed and future issues of documents will be held in the system as original electronic files and where necessary as scanned images of current hard copy documents.

13 THE COMMUNICATIONS AND STAKEHOLDER PLAN

13.1 A Communications and Stakeholder Plan has been developed which identifies the framework within which Navy Command and Shao Brothers Company Limited will communicate through the period of the contract. It is recognised that without effective communication between all the various stakeholders under the contract, it will not be possible to provide the high quality service that is desired. All Shao Brothers employees will be required to comply with this Plan.

14. THE HEALTH AND SAFETY PLAN

14.1 Shao Brothers Company Ltd (Shao) have developed and issued a Safety Management Plan (SMP) as part of the contractual requirement, which describes the Health and Safety management organisation and arrangements that will be in place to support laundry services on board HM Ships throughout the life of the contract. It defines task milestones to enable Shao to achieve its key safety activities for Laundry Services. The plan sets out the objectives of the Safety Management System (SMS) by which effective health and safety management is implemented monitored and improved. The SMP details the safety activities that have been and will continue to be undertaken to demonstrate safety as a through life activity of the Navy Command (NC) contract.

14.2 The SMP is a maturing document, which will be progressively evolved such that it defines and remains representative of the underlying responsibilities, policies and procedures that are integral to the SMS. This plan will be reviewed with the NC, the contract owner, at key milestones throughout the life of the contract.

14.3 The SMP demonstrates that the safety organisation and arrangements will be such as to meet the requirements of UK and International statutory and regulatory safety requirements whilst taking cognisance of NC Health and Safety Policy. It also recognises the requirements placed upon the NC for compliance with appropriate publications on health and safety management.

14.4 All Shao Brothers employees will be required to be fully familiar with, and comply with the requirements of, the Safety Management Plan

15.0 THE RISK MANAGEMENT PLAN

15.1 The Risk Management Plan for the Provision of Laundry Services on HM Ships has been prepared by Shao Brothers Company Limited (Shao) in support of the Navy Command.

15.2 Shao has developed a resilience management framework which incorporates the disciplines of risk, protective security, business continuity and crisis management to address the capability and capacity to anticipate adversity, to put in place robust measures to reduce the likelihood of those events occurring and to plan effective responses to incidents that threaten the achievement of business objectives.

15.3 Effective management of the risks inherent in the management and operation of the laundry services task is essential to successful achievement of contract objectives including operational performance, timescale and budget targets as well as maintaining the security, integrity and continuity of operations. Shao is committed to the use of the formal risk management techniques described in this document for this contract.

15.4 Identification and analysis of risk issues will allow the management of both Shao and the NC to make informed decisions based on full information on the potential risks threatening the contract. A robust risk identification process informs the development of appropriate avoidance, mitigation or contingency measures designed to maximise the probability of meeting business and operational objectives.

15.5 An initial risk identification exercise will be performed following appointment as Preferred Bidder and during the early Transition Phase when risk registers for the transition and service delivery phases of the contract will be developed. These identified risks will form the basis for risk management of the management and operation of the support services task. We strongly believe that the risk identification process should capture all that is good about the current operation as that will be familiar to our current staff whilst at the same time introducing change or enhanced methodology where our experience indicates that this would be beneficial or where a changed Contractual requirement makes change an essential requirement.

15.6 All Shao Brothers employees will be required to be fully familiar with, and comply with the requirements of, the Risk Management Plan.