

Report of: Head of Catering and Cleaning

Report to: Chief Officer – Civic Enterprise Leeds

Date: 21 March 2014

Subject: Report recommending the award of fresh meat contract to J W Young for a period of two years from 27 April 2014 with 2 x 12 month extensions.

Are specific electoral Wards affected?	No
If relevant, name(s) of Ward(s):	
Are there implications for equality and diversity and cohesion and integration?	No
Is the decision eligible for Call-In?	Yes
Does the report contain confidential or exempt information?	No
If relevant, Access to Information Procedure Rule number: Appendix number:	

Summary of main issues

1. The current contract for the supply of fresh meat to Leeds City Council establishments will expire on 26 April 2014. The value of this contract based on current usage was estimated to be £240,000 per annum.
2. A procurement exercise has been undertaken to secure a new contract for the supply of fresh raw meat and fresh chilled sausages. The price quality split for this procurement was 70% price / 30% quality.
3. The procurement exercise used the council's approved tendering portal Yortender, and was advertised in Official Journal of the European Union OJEU. Officers from Civic Enterprise Leeds (CEL) undertook the tender process with assistance from Procurement Unit (PU).
4. As a result of the tender exercise it is recommended that J W Young should be awarded the contract from 27 April 2014 for a period of two years, with the possibility of 2 x 12 month extensions. The annual value of the new contract is estimated at £195,000 per annum.

Recommendations

The Chief Officer CEL is recommended to award a contract for the supply of fresh raw meat and fresh sausages to J W Young for a period of two years from 27 April 2014. The contract also has options for 2 x 12 month extensions.

1 Purpose of this report

- 1.1 This report recommends the award of a contract to J W Young. The report will detail the evidence from the procurement exercise that supports this recommendation.
- 1.2 The contract will run from the 27 April 2014 for a period of two years. There is the option of 2 x 12 month extensions.
- 1.3 The successful tenderer submitted a bid which scored the highest aggregate marks based on the evaluation criteria; price and quality.

2 Background information

- 2.1 The tender process originally started in May 2013.
- 2.2 The original tender process was ended in November 2013, when all suppliers who submitted a tender failed to satisfactorily answer the compulsory questions in the pre-quality questionnaire (PQQ). All the tenderers were briefed on where they had failed, and the PQQ questions were re-written to clarify the requirements of Leeds City Council for this tender.
- 2.3 The tender was re-advertised in January 2014. The revised tender documents also included some information pertaining to the Universal Free School Meal (UFSM) for children in Key Stage 1 in primary schools. It is likely that due to this change there is likely to be an increased requirement for fresh meat, although at the time of issue of documents, this was not possible to evaluate.
- 2.4 Whilst it was not possible to evaluate the impact of the UFSM on the fresh meat requirements, it was not felt that all of the tenderers would be able to meet increased requirements.
- 2.5 The contract opportunity was advertised in the Official Journal of the European Union OJEU in accordance with the relevant EU legislation and on the approved Council's Electronic Tendering Portal, YorTender. The price / quality split for the tender was 70% price and 30% quality.
- 2.6 Three suppliers submitted a tender bid. These were: - Clifton Quality Foods, Doric Game Ltd, and J W Young.
- 2.7 The evaluation of the tenders has resulted in J W Young achieving the highest aggregate score for price and quality.

3 Main issues

- 3.1 The existing contract for fresh meat has now operated for over three years. It is due to end on 26 April 2014. A procurement exercise has been undertaken to secure a new contract for Leeds City Council to commence when the current contract expires.

- 3.2 Civic Enterprise Leeds (CEL) has undertaken this tender exercise with the procurement unit. CEL provided officers who advised on the requirements of the contract for both school meals and Adult Social Care.
- 3.3 Consideration was made to the fact that the fresh meat market can, at times, be quite volatile. The tender seeks to reduce such fluctuations by working closely with the winning bidder.

Enhanced Key Performance Indicators have been added to tender specification.

The winning supplier is required to work closely with Leeds City Council to identify and achieve further savings during the life of the contract. Regular review meetings will be held.

- 3.4 Tender information was advertised in OJEU. The tender documents posted on YorTender. A total of three suppliers submitted completed tenders for evaluation. These being Clifton Quality Meats, Doric Game Ltd, and J W Young.
- 3.5 The tenders were evaluated as per the tender specification. All tenderers passed the PQQ. Figure 1.

Tenderer	Question	Submitted Yes/No	Pass/Fail
Clifton Quality Meats	8.1 HACCP Safety Management	Yes	Pass
	8.2 Environmental Health	Yes	Pass
	8.3 Supplier Site Visit	Yes	Pass
	8.4 Quality Assurance	Yes	Pass
	8.5 Microbiological Testing	Yes	Pass
	8.6 Staff Training	Yes	Pass

Tenderer	Question	Submitted Yes/No	Pass/Fail
Doric Game	8.1 HACCP Safety Management	Yes	Pass
	8.2 Environmental Health	Yes	Pass
	8.3 Supplier Site Visit	Yes	Pass
	8.4 Quality Assurance	Yes	Pass
	8.5 Microbiological Testing	Yes	Pass
	8.6 Staff Training	Yes	Pass

Tenderer	Question	Submitted Yes/No	Pass/Fail
Youngs	8.1 HACCP Safety Management	Yes	Pass
	8.2 Environmental Health	Yes	Pass
	8.3 Supplier Site Visit	Yes	Pass
	8.4 Quality Assurance	Yes	Pass
	8.5 Microbiological Testing	Yes	Pass
	8.6 Staff Training	Yes	Pass

Figure 1.

3.6 All tenderers passed the further qualifying questions within the tender evaluation. The tenderers were then evaluated and scored as per the tender evaluation document. The quality score, including sampling, accounted for a maximum of 300points (30% of the total available). All tenderers passed the quality threshold of 50% (150 points)

3.7 The quality scores for each supplier is shown below in Figure 2

			SUPPLIERS		
QUALITY	Weighting of Criteria	Minimum Score*	Clifton Quality Meats	Doric Game	J W Young
Percentage score for quality only			75%	61%	66%
FINAL QUALITY SCORE i.e. actual quality score of marks available	300				
Ranking for Quality			1	3	2

Figure 2

Difference from lowest/best compliant price			
Percentage difference from the lowest/best price	12%	25%	0%
Actual points to be deducted	82.23	173.61	0.00
FINAL PRICE SCORE i.e. Max score available minus points to deduct (The maximum amount of points deducted cannot exceed the max score available)			
Ranking for Price	2	3	1

Figure 3

3.8 Combining both the quality scores and the scores for pricing has resulted in J W Young receiving the highest overall score. Figure 4.

FINAL SCORE	843.90	708.01	898.00
OVERALL RANKING	2	3	1
HIGHEST SCORING SUBMISSION:			J W Young

Figure 4

3.9 The new contract is due to start on 27 April 2014

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.1 It is not considered that the content of this report or the recommendation made will have a significant impact on any particular ward or community and as such no consultation has taken place.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An updated Equality, Diversity, Cohesion and Integration impact assessment screening has been carried out. This indicates that the provision of a full range of meals will have a positive impact within the schools.

4.2.2 The provision of Halal meat will be covered by a special quotation that will be issued after the award of the fresh meat contract. Historically it has proven difficult to mix both Halal and non-Halal meats on the same contract. The decision to have totally separate processes for Halal and non-Halal was taken at the outset of the procurement process.

4.2.2 The impact of the positive impact of school meals is further borne out by the Governments intention to implement the Universal Free School Meal from September 2014 as an attempt to improve standards of attainment within schools.

4.3 Council policies and City Priorities

4.3.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such the contract for the supply of fresh and freshly pre-prepared fruit and vegetables will be procured in line with Leeds City Councils Procurement Units policy and procedures.

4.4 Resources and value for money

- 4.4.1 The contract awarded as a result of this procurement exercise will be used for the purchase of fresh raw meat and fresh chilled sausages which are an essential element of meals across Leeds City Council services.
- 4.4.2 The supplier of the contract will attend regular review meetings to ensure they are meeting the tender specification. The supplier will work in close partnership to provide suitable alternatives to ensure continuing value for money.
- 4.4.3 Any purchase made as a result of the award of contract from this procurement exercise will be transactional in order to provide the services required by both children's services and adult social care.
- 4.4.4 Based on the prices submitted during the tender, it is anticipated that savings of at least £45,000 per year will be made, based on existing purchases prices and quantities.
- 4.4.5 There are no additional resource implications once a contract is awarded.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Chief Officer is authorized to make this decision to award the contract to J W Young.
- 4.5.2 The award of contract is subject to call in.
- 4.5.3 The award of the contract to J W Young will provide savings based on the current prices being paid. The best estimate is this is likely to be in the region of £30,000 per year. If the Contract were to run for the full four years (which includes extensions) this saving would likely be in excess of £120,000.

4.6 Risk Management

- 4.6.1 By not awarding the contract, the council would have to buy fresh meat off contract, which could expose the council to more variable prices.
- 4.6.2 Increase in meal numbers due to the introduction of the UFSM will lead to an increased requirement for fresh meat. As J W Young have their own cutting plants, it is felt there is little risk in them meeting any increase in requirements.

5 Conclusions

- 5.1 The current contract for fresh raw meat is coming to an end. To continue to provide a meals service for both children's services and adult social care it is essential to award a contract. J W Young, who provided the best tender submission during the procurement exercise.
- 5.2 Not to award a contract for the supply of fresh meat, will mean either the service cannot be provided, or purchases to provide the service will be made off contract

6 Recommendations

- 6.1 The Chief Officer – Civic Enterprise Leeds is recommended to award a contract for the supply of fresh raw meat and fresh sausages to J W Young.

This contract will commence on 27 April 2014 for an initial period of 2 years, with 2 x 12 month extension options.

7 Background documents

Equality, Diversity, Cohesion & Integration Impact Assessment (EDCI)