



Report of: Head of Catering and Cleaning Service

Report to: Chief Officer – Civic Enterprise Leeds

Date: 26 June 2014

Subject: Report recommending 12 month extension to the corporate contract for the supply and delivery of freshly made pre-packed sandwiches

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

Summary of main issues

1. The current contract with Sandwich King is due to expire on 31 July 2014. There are 2 x 12 month extensions available.
2. The contract is transactional, and sandwiches are bought in on behalf of clients, who are fully recharged for the products.
3. Prices have remained unchanged during this contract.
4. The demand for pre-packaged sandwiches has declined in the past few months.
5. Sandwich King Ltd was the preferred bidder during the original tender exercise.

Recommendations

6. The Chief Commercial Services Officer is recommended to approve a 12 month extension to the contract for the supply of freshly made pre-packed sandwiches to Sandwich King, from 1st August 2014 to 31st July 2015.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a 12 month extension to the contract for the supply and delivery of freshly made pre-packed sandwiches by Sandwich King Ltd.

The extension to the contract will commence on 1 August 2014, until 31 July 2015. There remains the option to extend for a further 12 month period.

- 1.2 The annual contract value for the next twelve months is estimated to be in the region of £120k Therefore the contract extension represents a Significant Operational Decision under the Council's constitution.
- 1.3 Under the original tender exercise Sandwich King submitted a bid which scored the highest on the basis of the tender evaluation criteria based on a combination of price and quality as set out in the tender documents.

2 Background information

- 2.1 Sandwiches were originally prepared on these sites but a decision was made to outsource these products. This decision was made to ensure a wider variety of products were available to the client. The volume of purchased sandwiches has since increased to a level requiring a contract.
- 2.2.1 Since the original tender award a number of high schools have opted to use alternative catering suppliers.
- 2.2.2 Of those clients that currently remain with Catering Leeds; Benton have opted to produce sandwiches in-house; Brighshaw are taking their whole catering service in-house from August 2014.
- 2.3 This will leave four high schools and adult social care meals at home. In addition any site may access the contract as required.
- 2.4 The Contract is split into two lots:

Lot 1 is for the supply and delivery of sandwiches to high schools and any other establishments not covered in lot 2. The estimated value for the 12 month extension is £95,000

Lot 2 is for the supply and delivery of sandwiches to Leeds City Council premises for the 'meals at home' service. The estimated value for the 12 month extension is £15,000.

3 Main issues

- 3.1 The original tender details were published on the Council's tendering website (Supplier and Contract Management System) and an EU advert was published in the European Journal. This included 2 x 12 options to extend.
- 3.2 Following the tender exercise, overseen by the procurement unit, the contracts were awarded to Sandwich King for a period of two years
- 3.3 Over the course of the two years there have been no complaints received regarding deliveries or products.
- 3.4 Regular meeting have taken place between Catering Leeds and the client high schools, and no adverse comments have been received. All costs are recharged to the client schools.
- 3.5 Adult Social Care meals at home are content with the current provider. Costs are recharged to the recipient, as part of the meal provision.

- 3.6 Regular supplier meetings are held, but there are no issues to resolve. These meetings usually look at trends and new fillings, plus other market developments.
- 3.7 Sandwich King has been the provider since 2008. In that time there have been no price increases. The supplier has indicated that it may not be possible to hold prices for a further year.
- 3.8 The market is fairly well developed and there have no significant changes in the last two years. Sandwich King has maintained their pricing.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Advice on the extension to the contract for the supply of sandwiches has been sought from the Procurement Unit.
- 4.1.2 Clients view the current supplier as providing an excellent service providing good value for money.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 A Procurement Equality Assurance screening assessment was carried out to ensure that the original tender specifications and evaluation met the needs of the service users and reflects the equality and diversity requirements of the Council.

4.3 Council policies and City Priorities

- 4.3.1 The provision of sandwiches to young and older persons supports the Health and Wellbeing strategic outcome by offering safety and support to vulnerable persons through the provision of a quality controlled 7 day meals at home service.

4.4 Resources and value for money

- 4.4.1 Due to the stability of the service currently being received from Sandwich King it is concluded that by extending the current contract for a period of twelve months will continue to provide the savings as detailed by the original report.

Lot 1: £4,200 per annum based on pre-tender pricing

Lot 2: £1,000 per annum based on pre-tender pricing.

If food inflation is taken into account, the actual saving is greater in real terms.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This original tender opportunity was advertised on the council's SCMS system and The European Journal for European Union as required by the European Regulations.
- 4.5.2 The contract allows for 2 x 12 month contract extensions.

- 4.5.3 Procurement Unit have advised that to extend the contract by a 12 month period is allowed.

4.6 Risk Management

- 4.6.1 The existing contract has run very well and there have been no problems. To award an extension to this contract would seem to be a reasonably risk free option.
- 4.6.2 As always contract risks will continue to be monitored as part of the contract management process.

5 Conclusions

- 5.1 Sandwich King continues to demonstrate a cost effective service, requiring no contract management intervention.

6 Recommendations

- 6.1 It is recommended that Sandwich King Limited be awarded a 12 month extension to the existing contract to supply and deliver freshly made pre prepared sandwiches to Leeds City Council, commencing 1 August 2014 until 31 July 2015.

7 Background documents¹

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.