

Report of: Head of Property Maintenance

Report to: Chief Officer, Civic Enterprise Leeds

Date: 28th July 2015

SUBJECT: Request to extend the Catering Equipment Parts and Appliances contract for 12 months from 10th December 2015.

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: 10.4 (3)		

Summary of main issues

- 1 This contract is a framework arrangement for the supply of Catering Equipment Parts and Appliances to Property Maintenance who are Leeds City Council's Internal Service Provider. Property Maintenance are responsible for servicing, maintaining, repairing and installing specialist commercial and domestic equipment within Leeds City Council buildings.
2. This service is provided to other LCC clients such as Corporate Property Management who look after day centres, training centres, children and older people's homes and other Council Departments who have contracts with over 240 primary and high schools to provide children with meals.
3. In 2011 a review of existing arrangements for this service showed that further provision was needed to ensure that all catering equipment are regularly serviced and maintained to run reliably, efficiently and to comply with all necessary manufacturers and legally requirements. It was therefore decided to develop a framework contract for the provision of these services.
4. The contract period was for three years, with provision for an extension for a further year. The annual value of the contract is estimated to be £196k per annum.
5. The contract has been running efficiently and effectively for the last 2 years and has proved to be invaluable in providing a Catering Maintenance service to the Council.

6. This report seeks approval from the Chief Officer Civic Enterprise Leeds to extend the contract for a further year starting from 10th December 2015.

Recommendations

7. It is recommended that The Chief Officer Civic Enterprise Leeds is to approve the extension of this framework contract for the supply of Catering Equipment Parts and Appliances for a further year starting from 10th December 2015.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to extend a framework contract for the supply of Catering Equipment Parts and Appliances.

The contract extension will commence on 10th December 2015 and the annual contract value is in the region of £196k.

2 Background information

- 2.1 Property Maintenance are Leeds City Council's Internal Service Provider for the servicing, maintaining, repairing and installing specialist commercial and domestic equipment within Leeds City Council buildings.
- 2.2 Property Maintenance's services are provided to other LCC clients such as Corporate Property Management who look after day centres, training centres, children and older peoples homes and also to Commercial Services who provide school meals to 240 schools.
- 2.3 A review of existing arrangement for these services showed that further provision was needed to ensure that all catering equipment and appliances are serviced and maintained to run reliably, efficiently and to comply with all necessary manufacturers and legally requirements. It was therefore decided to develop a framework contract for the provision of these services.
- 2.4 The tender process commenced in July 2011, with the establishment of a project team. The project team comprised of four representatives from Property Maintenance and the Central Procurement Unit.
- 2.5 The tender process was undertaken in the format of a 'restricted' tendering procedure (PQQ then tender stage) and was advertised in EU journal in accordance with the relevant EU legislation and also on the Council's Electronic Tendering Supplier Contract Management System.
- 2.6 The contract was developed to consist of a number of specific 'Lots' that cover the full requirements for providing a fully comprehensive service to maintain, repair and replace specialist commercial and domestic equipment. By creating separate Lots it gave the opportunity for companies large and small to tender for some or all parts of the contract.

The 'Lots' consist of the following:-

Lot 1. The provision of parts and components for all commercial and domestic gas equipment and appliances.

Lot 2. The provision of parts and components for all commercial and domestic catering electrical equipment, appliances and ventilation systems.

Lot 3. The provision of all parts and components for all commercial and domestic catering refrigeration appliances.

Lot 4. The provision of commercial and domestic gas catering appliances.

Lot 5. The provision of commercial and domestic electrical catering appliances.

Lot 6. The provision of commercial and domestic refrigeration catering appliances.

- 2.7 The tender documents for the procurement exercise for all 6 Lots were designed to create a framework contract for a number of suppliers for each of the Lots. Each Lot will be issued initially to the most competitive bidder who has the highest tender score based on price and quality. If the capacity of the most competitive supplier is not sufficient then the second most competitive supplier will be engaged and this process will be applied down to the final contractor on the list. The replacement of catering appliances will be subject to mini-tenders between the successful suppliers, with the most competitive tenderer awarded the tender.

3 Main issues

- 3.1 The contract that is required to be extended is a framework arrangement for the supply of Catering Equipment Parts and Appliances to Property Maintenance are responsible for servicing, maintaining, repairing and installing specialist commercial and domestic equipment within Leeds City Council buildings.
- 3.2 This service is provided to other LCC clients such as Corporate Property Management who look after day centres, training centres, children and older people's homes and other Council Departments who have contracts with primary and high schools to provide children with meals. The service provided is to ensure that clients catering equipment are regularly serviced and maintained to run reliably, efficiently and to comply with all necessary manufacturers and legally requirements.
- 3.3 In July 2011 a framework for this service was put in place.. The contract period was for three years, with provision for an extension for a further year. The annual value of the contract is estimated to be £196k per annum.
- 3.5 The contract has been running efficiently and effectively for the last 2 years and has proved to be invaluable in providing a Catering Maintenance service to the Council.
- 3.8 Because the contract has proved to be both cost effective and reliable it has been decided to take up the contracted option of the one year extension which will mean that contract will expire in December 2016.
- 3.9 Discussion have been held with Housing Leeds, Property and Contracts who will be taking on the responsibility of this contract as part of Property Maintenance's transfer to Environment and Housing. They have agreed with extending this contract which will give them the time to carry out a full review of the service as part of their procurement strategy.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 It is not considered that the content of this report or the recommendations made have a significant impact on any particular ward or community; however consultation has taken place with Housing Leeds and Procurement Unit.
- 4.2 A number of meetings have been held between staff from both Property Maintenance and Property and Contracts who will be taking on the responsibility of this contract as part of Property Maintenance's transfer to Environment and Housing and they have agreed to the extension of this contract.

4.3 Equality and Diversity / Cohesion and Integration

- 4.3.1 The impact on equality was considered implicitly within the proposal and as part of the procurement process. The original equality screening was undertaken and found there would be no equality impacts.

4.4 Council policies and City Priorities

- 4.4.1 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 Catering Equipment Parts and Appliances was procured in line with Leeds City Council's Corporate Procurement Unit's policies and procedures.
- 4.4.2 The services provided under this report and the contract will contribute to a number of headline indicators mentioned in the City Priority Plan, that will contribute to Leeds City Council's ambition to be the best city in the U.K. The following are all relevant contributors to the City Priority Plan:-
- Improve the environment through reduced carbon emissions by ensuring that catering appliances within Leeds City Council buildings are regularly serviced and maintained to run reliably and efficiently. The contract also ensures that only the most energy efficient appliances are sourced to replace redundant appliances.
 - Support the sustainable growth of Leeds.
 - Create more jobs.
 - Improve Skills

4.5 Resources and value for money

- 4.5.1 The procurement exercise was designed to fully test the market for value for money for Catering Equipment Parts and Appliances supplied through this contract. All suppliers were evaluated and ranked in order of their value for money based on quality and price analysis to supply the most commonly used specified Equipment and Parts. Further provision to demonstrate value for money was to continuously test the market through mini-tenders for any appliances that need to be replaced throughout the contract.

4.5.2 Legal Implications, Access to Information and Call In

- 4.5.1 This tender opportunity was advertised on the council's electronic tendering system and The European Journal for European Union as required by the European Regulations.

4.6 Risk Management

- 4.6.1 The tendering risks have been carried out via the usual contracting process by the Procurement Unit.

4.6.2 Conclusions

- 4.1 A tendering exercise was carried out for a framework contract for the supply of Catering Equipment Parts and Appliances, which now requires the extension to be utilised.

5 Recommendations

- 6 It is recommended that The Chief Officer Civic Enterprise Leeds is to approve the extension of this framework contract for the supply of Catering Equipment Parts and Appliances for a further year starting from 10th December 2015.

7 Background documents

Appendix I – 2011 Award Report.