

**Report of: Head of Catering and Cleaning**

**Report to: Chief Officer – Civic Enterprise Leeds**

**Date: 04 December 2015**

**Subject: Award of contract YORE-9H6DSG for the Supply of Catering Light Equipment.**

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?	No
Does the report contain confidential or exempt information?	No
If relevant, Access to Information Procedure Rule number: Appendix number:	

### Summary of main issues

1. Catering Leeds is responsible for the supply of school meals to approximately 240 sites, mainly primary schools. In order to supply the meals, it is necessary to procure new and replacement catering light equipment to continue to provide this service. The current value is approximately £180k per year based on annual budgets.
2. The new contract is due to commence on 11 January 2016.
3. A procurement exercise commenced in April 2015. One lot was tendered; detailing the core requirements of catering light equipment for Leeds City Council The tender was advertised as per PP &PU in OJEU
4. The price quality/split was 80:20
5. Following evaluation it is recommended that the contract be awarded to Brake Brothers from 11 January 2016 for a period of two years with a possible extension of twelve months.
6. The estimated annual value of the new contract is £180k per annum,

### Recommendations

The Chief Officer CEL is recommended to award a contract for the supply of catering light equipment foods to Brake Brothers for each for a period of two years from 11 January 2016. There is an option for 1 x 12 month extension.

## **1 Purpose of this report**

- 1.1 This report seeks approval from the Chief Officer CEL to award the contract for the supply of catering light equipment to Brake Brothers from the 11 January 2016 for a period of 2 years. There is an option of 1 x 12 month extension.
- 1.2 The approximate value of this contract will be £180k per annum.

## **2 Background information**

- 2.1 Catering Leeds is responsible for the supply of school meals to approximately 240 sites, mainly primary schools. In order to supply the meals, it is essential to have a contract in place for the supply of new and replacement catering light equipment. The current value of this supply is approximately £180k per year.

The new contract is due to start on 11 January 2016.

A tender exercise has therefore been undertaken with advice and guidance from PP & PU.

- 2.2 The evaluation of the tenders took place in November 2016. A basket of goods was priced by tenderers and as a result of this evaluation. Brake Brothers attained the highest aggregate score for price and quality for this tender.

## **3 Main issues**

- 3.1 The tender was advertised in April 2015 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.
- 3.2 The tender documents included key information as to the types of catering light equipment which was likely to be required. The previous year had seen an impact in spending due to the Universal Free School Meal, purchasing was now expected to return to more normal levels. The bidders were given information within the tender documents indicating that the tender basket was capped on price.
  - 3.3.1 Six suppliers submitted a bid via YorTender. Two suppliers failed the PQQ questions and did not have their tender submissions evaluated any further.
  - 3.3.2 The remaining four bids were evaluated on quality. All four met the minimum requirements and had their priced baskets evaluated by PP & PU. Brake Brothers scored highest for both quality and price.
- 3.4 Key Performance Indicators have been added to tender specification. These will be managed through contract management with the successful bidder.
  - 3.4.1 The winning supplier is also 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. The potential extension of the contract, following the initial first two year term will be subject to performance and negotiation, which could obtain further savings.

3.4.2 Previously to this proposed award purchasing by departments has been on an ad-hoc basis with no formal contract in place. Putting requirement on a firm contractual footing will be both compliant and will also reduce non-contract spend.

3.5 Details of the evaluation (excluding price) are contained in Appendix 1 As detailed in Appendix 1, the highest combined score for quality and price was submitted by Brake Brothers.

#### **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. That said individual clients will be informed of the change of catering light equipment provider.

##### **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 at the time the original procurement exercise was approved. This indicates that the provision of a full range of meals will have a positive impact within the schools.

4.2.2 Religious consideration is not necessary for a light equipment contract.

##### **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 catering light equipment is procured in line with Leeds City Council's Procurement policy and procedures.

4.3.2 A key objective within the Best Council plan 2013-2017 is to build a Child Friendly City. The delivery of pupil places through Basic Need 1, one of the baseline entitlements of a Child Friendly City and contributes directly to the outcomes identified within the Children & Young Peoples Plan 2011-2015 to "improve healthy lifestyles" and "encourages healthy eating" and "increase uptake of free school meals".

##### **4.4 Resources and value for money**

4.4.1 The contract which is awarded as a result of this procurement exercise will be used for the purchase of catering light equipment which is an essential element of providing 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 suppliers 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 contracts 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 The basket of goods was pre-tender evaluated to have a value of approx. £74k. The winning tender has valued this basket at £49k. This indicates a potential saving of £25k, which can be used to replace and top up existing light equipment levels which are urgently required. This means the spending power for this contract has increased. There are no additional resource implications once a contract is awarded.

#### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 There are no legal implications.

4.5.2 The decision to award this contract is a Significant Operational Decision and is therefore not subject to call-in.

#### **4.6 Risk Management**

4.6.1 By not awarding the contract, the council would have to buy catering light equipment off contract, which could expose the council to more variable prices.

4.6.2 Catering light equipment prices should remain stable for the foreseeable future. However global prices changes in fuel, steel and other external pricing factors could potentially impact on prices.

4.6.3 Leeds City Council will work closely with Brake Brothers to ensure a smooth mobilization. Fortunately, orders will generally be placed on an ad-hoc basis as sites require new or replacement catering equipment. So route planning will not be required.

4.6.4 There is at present no compliant contract in place, so current procurement is ad-hoc and is reliant on the contractor's terms and conditions as opposed to those of Leeds City Council.

### **5 Conclusions**

5.1.1 Brake Brothers have submitted the Most Economically Advantage Tender, submitting the best tender submissions on both price and quality.

The approximate savings of this contract is £25k per annum, based on existing contract prices and usage. In reality this means improved spending power for this budget.

### **6 Recommendations**

6.1 The Chief Officer CEL is recommended to award a contract for the supply of catering light equipment foods to Brake Brothers for each for a period of two years from 11 January 2016. There is an option for 1 x 12 month extension.

### **7 Background documents**

Appendix 1 – Tender evaluation report