

**Report of Head of Passenger Transport**

**Report to Chief Officer, Civic Enterprise Leeds**

**Date: 13<sup>th</sup> April 2016**

**Subject: Contract for the supply of individual frozen meals & regeneration vehicles for the Community Meals Leeds service. A5GL-BMZJBB**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Community Meals Leeds provides hot meals and cold teas to vulnerable older people in Leeds 365 days of the year. In total approx.120,000 meals are delivered each year.
2. The service operates from one site where frozen meals are loaded into regeneration vehicles which then reheat the meals as they are driven to customers.
3. The service currently has a contract with Apetito for both the supply of meals and the regeneration vehicles. This current contract is due for expiry on 30<sup>th</sup> June 2016. All options for contract extensions have been taken therefore a new contract is required.

In Feb- March 2016 a tender exercise was undertaken and a new contract tendered.

There were three lots to the tender:-

Lot A was for the supply of individual frozen meals.

Lot B was for the supply of regeneration vehicles and

Lot C was for both lot A and B as a combined price.

4. The contract will be for three years, with an option to extend for one further year.

5. Just one tender was received from the incumbent provider; Apetito, despite a number of other providers registering an interest in the tender.
6. Tender evaluation took place and Apetito were able to meet the specification for both lots; therefore the decision is to recommend awarding the contract for both the supply of meals and vehicles to Apetito with effect from 1<sup>st</sup> July 2016.
7. The meal prices were fixed at item level, with an average of 2% price increase from the current contract. Based on existing volumes the annual cost is likely to be £230k.

The new tendered price of the vehicles is £488 per month per vehicle. This is a 5% reduction on the current price. The total annual cost is £99k.

### **Recommendations**

4. The Chief Officer CEL is requested to approve the request to award the contract for the supply of individual frozen meals and regeneration vehicles to Apetito. The annual projected costs are £230k for the supply of meals and £99k for the supply of the vehicles. The contracts will be for a three year period, with an option to extend for a further one year.

## **Purpose of this report**

- 1.1 The report is seeking approval from the Chief Officer, CEL, to commence a procurement exercise for both the supply of individual frozen meals and regeneration vehicles which are required by the Community Meals Leeds service.

## **2 Background information**

- 2.2 The Meals on Wheels service provides a hot lunch and cold tea to vulnerable adults in Leeds. Approx. 470 meals are delivered each day, to customers who have either been referred from Adult Social care or who have self-referred following advice from the doctors or family members.
- 2.3 As well as providing a nutritious meal the customer and family are assured that they are safe and well as a well-being check is undertaken by the Meals assistant and any safeguarding concerns are reported immediately.
- 2.1 There is a current contract with Apetito who supply both the frozen meals which are then heated in regeneration vehicles as they are driven to customers.
- 2.2 The current contract expires on 30<sup>th</sup> June 2016 and all options for contract extensions have been taken. A tender exercise was undertaken in Feb – March 2016 and despite a number of different providers registering an interest, there was just one tender received from Apetito for both lots.

## **3 Main issues**

- 3.1 Lot A was for the supply of individual Frozen meals. There are approx. 250 different frozen meals, ranging from beef and lamb dishes, fish or vegetarian, and meals which meet cultural dietary needs; Asian, Caribbean and Kosher meals, and both soft and pureed meals.
- 3.2 Each meal type was price fixed based on an average of a 2% price lift from the previous contract.
- 3.3 There was just one provider who bid for both lots; Apetito, who are the incumbent provider. Whilst a number of other prospective suppliers registered an interest, none submitted a tender. These suppliers have been contacted and have indicated they were unable to supply the complete list of meal types as specified. In particular this relates to the specialist meal.
- 3.4 Apetito's tender demonstrated that they could meet not only the price fix, but also the various quality criteria around customer care, promoting the service in conjunction with the Meals on Wheels service, and mandatory pass or fail questions on appropriate quality standards associated with the supply of foods.
- 3.5 Lot B was for the supply of the regeneration vehicles. Apetito demonstrated they are able to supply the vehicles, but were also able to detail the improvements to the vehicles they have introduced; including ensuring the vehicles are Euro 6 compliant, but also detailed ongoing work they are doing to introduce a smaller, more efficient vehicle which would be suitable to the service.

- 3.6 The tendered price of the vehicles is £488 per month, which is £25 per month per vehicle less than the current price. This results in a £5 or 5% saving each year.
- 3.7 There were two other providers who expressed an interest but who did not tender, feedback from these companies was that they were unable to meet the specification for the vehicle fully.
- 3.8 As Apetito are the incumbent supplier there are no issues with mobilisation and there should be a seamless contract change following the award.
- 3.9 The service will continue to work with Apetito in order to promote the Meals on wheels service .

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 As part of the tender evaluation a Meals on Wheels customer was invited to the tasting session; samples of the meals were supplied and were tested for appearance and taste.
- 4.1.2 Throughout the procurement process colleagues from PPPU were involved.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 The Equality Screening exercise was undertaken at the start of the original contract let, this has been revisited and there is no adverse equality impact to the service users, staff and the wider community. Details were attached as part of the Approval to Procure process.

### **4.2.2 Council policies and City Priorities**

- 4.2.1 This service is currently deemed to be strategically important to the Council and meets a number of key strategies around health and independent living.

### **4.3 Resources and value for money**

- 4.3.1 The winning tender from Apetito clearly demonstrated that they are able to supply the meals as per the tender, and at the prices stipulated which were inflated from the current contract by just 2%.
- 4.3.2 Comparisons have been made with other authorities and the rates achieved by Leeds are approx. 10% lower.

The cost of the supply of vehicles will have reduced by 5%.

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

- 4.4.1 This report does not contain any exempt or confidential information.

4.4.2 This decision is a consequence of a previous delegated decision and as a result it is classed as a significant operational decision and is therefore not subject to call in.

## **4.5 Risk Management**

4.5.1 The contract is required to enable continuation of an invaluable service which is supporting the needs of vulnerable older people. Without the contract this client group would be without the opportunities to receive a nutritious meal 365 days of the year.

## **5 Conclusions**

5.1 Meals on Wheels service provides an invaluable service to nearly 500 vulnerable older people each day. In order to continue with this service frozen meals are required and the appropriate regeneration vehicles which are used in order to heat the meals as they are driven to the customer's homes.

5.2 The current contract for the supply of meals and the regeneration vehicles expires June 2016, all extensions have been utilised, thus a new contract was tendered.

5.3 The new tender was offered in three lots; the supply of frozen meals, the supply of the regeneration vehicles which heat up the meals and a third lot which was for both the supply of meals as well as the vehicles. Tenderers could bid for one lot or both. The contract is for three years with an option to extend for a further one year.

5.4 One tenderer submitted a tender; Apetito, the incumbent provider. They were able to meet the demands of the tender with regards quality and assurances as well as meeting the fixed price for the supply of meals. The cost of the supply of the vehicles has reduced by 5%.

5.5 Based on current volumes, the total cost of contract is £230k per year for the supply of meals and £99k per year for the supply of the vehicles.

## **6 Recommendations**

6.1 The Chief Officer CEL is requested to approve the request to award the contract for the supply of individual frozen meals and regeneration vehicles to Apetito. The annual projected costs are £230k for the supply of meals and £99k for the supply of the vehicles. The contracts will be for a three year period, with an option to extend for a further one year.

## **7 Background documents<sup>1</sup>**

7.1 Tender evaluations score sheet.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.