

Report of: Head of Catering and Cleaning

Report to: Chief Officer, Civic Enterprise Leeds

Date: 12 October 2016

Subject: Report to advise on whether to commence a procurement exercise for the supply of groceries and provisions.

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 checked="" type="checkbox"/> Yes	<input 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. The purpose of the report is to approve the decision to commence a new procurement exercise for the supply of groceries and provisions.
2. The current arrangement uses Yorkshire Purchasing Organisation (YPO) which commenced on 24th July 2015. This is due to expire on 23rd July 2017.
3. Procuring a new contract/arrangement will secure the groceries and provisions required at the best possible price. It will also ensure that suppliers are fully aware of any delivery requirements.
4. If a procurement exercise is not undertaken, then either the service required by end users cannot be provided, or significant revenue spend will be incurred off-contract.
5. The value of the contract/arrangement is estimated to be £1,800,000 per annum.

Recommendations

6. The Chief Officer Civic Enterprise Leeds is recommended to approve the authority to procure in order to secure a contract/arrangement for the supply of groceries and provisions. The contract/arrangement is due to commence 24th July 2017 for a period of 2 years.

1 Purpose of this report

- 1.1 This report details the reasons why a new contract/arrangement for the supply of groceries and provisions is required. The purpose of this report is to seek approval to commence a procurement exercise, which will see the award of a contract/arrangement for this supply. The contract/arrangement will be for 2 years commencing 24th July 2017.

2 Background information

- 2.1 The current arrangement is due to expire on 23rd July 2017.
- 2.2 A contract/arrangement for the supply of groceries and provisions is required to provide for the needs of schools, Children's Services and Adult Social Care. Not to have a contract/arrangement in place will mean either the services required cannot be provided, or significant expenditure will be incurred off contract.
- 2.3 The current demand is significant and this together with the expiry of the current arrangements means it is the right time to secure a new contract/arrangement for the provision of groceries and provisions. Due consideration can be given to the future demand for groceries and provisions.

3 Main issues

- 3.1 The current arrangement for groceries and provisions has now operated for 2 years and is used to provide groceries and provisions mainly to schools and Adult Social Care sites.
- 3.2 The present arrangement has been continuously monitored by Catering Leeds throughout the years it has been operating. The level of customer service is deemed to be high with few reported complaints and has improved further due to a high level of contract management.
- 3.3 Grocery and provision prices tend to be relatively stable across the range. Catering Leeds is looking to continue to reduce any potential future impacts in adverse pricing by better working, in close partnership, with suppliers to use suitable alternatives where applicable.
- 3.4 Catering Leeds has clear product quality expectations and will not allow these standards to be compromised. However, Catering Leeds are always willing to review and consider new items that become available in the market.

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.
- 4.1.2 Consultation will take place with the end users and Children's Services.

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 schools.
- 4.2.2 The positive effect of school meals is a Government aim to improve the standards of attainment within schools.

4.3 Council policies and best council plan

- 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/arrangement for the supply of groceries and provisions will be procured in line with Leeds City Councils Projects, Programmes and Procurement Unit (PPPU) policy and procedures.
- 4.3.2 Evidence of added social value will be considered and this may be developed as part of the tender process.

4.4 Resources and value for money

- 4.4.1 Any contract/arrangement entered into as a result of the procurement exercise will be used for the purchase of groceries and provisions, which form an essential element of meals across Leeds City Council services.
- 4.4.2 Any contract/arrangement entered into as a result of the procurement exercise will be regularly reviewed by monitoring market conditions and trading indices to ensure continuing value for money.
- 4.4.3 Resources are available from both CEL and PPPU to meet the requirements of a tender exercise in order to award a contract/ enter an arrangement.
- 4.4.4 There are no additional resource implications once a contract/arrangement is awarded/entered into.

4.5 Legal Implications, access to information and call in

- 4.5.1 The Chief Officer is authorised to make this decision to commence the procurement process.
- 4.5.2 Advice regarding any procurement exercise, including terms and conditions of contract/arrangement, will be obtained from PPPU to ensure council governance is met.
- 4.5.3 The value of the spend is estimated to be £1,800,000 per annum. This is a key decision, so the decision to commence the procurement is subject to call in.

4.6 Risk management

- 4.6.1 There is no particular risk in approving the commencement of a procurement exercise.

5 Conclusions

- 5.1 The current arrangement for groceries and provisions is coming to an end. To continue to provide a meals service for schools, Children's Services and Adult Social Care, it is necessary to seek authority to procure with the view of awarding a contract/arrangement for the supply of groceries and provisions.
- 5.2 Not to seek authority to procure to award a contract/arrangement for the supply of groceries and provisions, 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 approve the authority to procure in order to secure a contract/arrangement for the supply of groceries and provisions. The contract/arrangement is due to commence 23rd July 2017 for a period of 2 years.

7 Background documents¹

- 7.1 None.

¹ 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.