

Extension of contracts for supply of groceries

Date: 20 May 2024

Report of: Head of Catering and Fleet Services

Report to: Chief Officer Civic Enterprise Leeds

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- This report requests the extension of contracts 64837 for the supply of groceries from 1st August 2024
- Awarding these contract extensions will allow the continuation of the provision of school meals and meal services to adult social care unit, and commercial income generating sites
- The contracts were tendered by using the YorTender portal by accessing YPO (Yorkshire Purchasing Organisation) framework – Food Deal Dynamic Purchasing System (DPS) – Category 1, Groceries - 985.
- Tender submissions were evaluated using the price quality separator.
- Appendices are deemed to be confidential under Access to Information Procedure Rule number: 10.4(3)

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to extend contracts 64837 from 1st August 2024 for a period of 12 months for the following :-
 - Lot 1 – Dairy and Non-dairy, to AF Blakemore & Son t/a Blakemore Foodservice for an estimated annual value of £507,000.
 - Lot 2 – Dry Goods to AF Blakemore & Son t/a Blakemore Foodservice for an estimated annual value of £596,000.
 - Lot 3 – Tinned Goods to JJ Food Service Ltd for an estimated annual value of £272,800.Total annual estimated value £1,375,800
- b) To note the appendices are deemed confidential under access to Information Procedure Rule number: 10.4(3)

What is this report about?

- 1 The current contract for the supply of groceries commenced on 3rd April 2023 for a period of 16 months with the option to extend for 12 months.
- 2 The contracts were awarded through the YPO framework - Food Deal Dynamic Purchasing System (DPS) – Category 1, Groceries – 985, as being an appropriate way of securing compliant contracts.
- 3 The contracts allow for 1x12 month extension for each Lot.
- 4 Benchmarking has taken place comparing these two suppliers against the original submissions from the other supplier, as well as an alternative national wholesaler. The summary is given in Appendix 1, which demonstrates each supplier continues to offer value for money in each lot.
- 5 Both suppliers have indicated they are willing to extend the contracts for the 12-month period.

What impact will this proposal have?

- 6 Approving the extension of these contracts will ensure the council will continue to have access to a supply of groceries.
- 7 Having compliant contracts in place will ensure the council can continue to access groceries for the council to meet their front-line service requirements. This includes the provision of school meals, including free school meals and meals for vulnerable adults in adult social care and supported housing.
- 8 Both suppliers made social value offers, which are reviewed by the social value team, utilising the Social Value Engine.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 9 Extending these contracts will ensure catering services can continue to offer healthy meal choices to all citizens of Leeds.
 - i) The council will continue to work with the suppliers to reduce environmental impact of the contracts. This will, where possible, use greener vehicles, sourcing products closer to Leeds and making fewer deliveries.
 - ii) The council will review with each supplier the overall carbon footprint of the products being purchased, to see if these can be reduced, whilst not impacting on quality of products or increasing direct costs to the council.
- 10 The Council will continue to work with the suppliers to mitigate any impacts of future inflation in this sector. The council will work with the suppliers to continue to look for further efficiencies, including further reductions in carbon emissions in supplying groceries.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 11 Catering Leeds have been consulted to confirm the contracts continue to meet their requirements.

12 Procurement and Commercial Services (PACS) were consulted and confirmed that the extension of the contracts is allowed as it was detailed in the original tender documentation.

13 Weekly Assurance Meeting colleagues have been consulted for the approval of this report.

What are the resource implications?

14 There are no additional resource requirements for extending the contracts for the supply of grocery contracts.

What are the key risks and how are they being managed?

15 i) Not to extend the contracts risks the council having to incur non-compliant spend with potentially significantly higher costs.

What are the legal implications?

16 PACS have advised there are no legal implications in extending these contracts for the supply of groceries.

17 This is an administrative decision as a direct consequence of a previously taken key decision on 8/12/22 ref D55860 and not subject to call-in.

Options, timescales and measuring success

What other options were considered?

18 No other options were considered as the contracts are currently operating well and there is a 12-month extension available to use.

How will success be measured?

19 Success will be measured by extending compliant contracts that meet the requirements of the council for the supply of groceries.

20 The council will work with the new suppliers to keep future costs to a minimum.

What is the timetable and who will be responsible for implementation?

21 The contract extensions need to be in place by 1st August 2024.

Appendices

- Appendix 1 – Benchmarking (Confidential)

Background papers

- [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk)