

Report of: Head of Catering Services

Report to: Director of Resources and Housing

Date: 25 July 2018

Subject: Report to seek Authority to Procurement a contract for the supply of fresh raw and chilled meat to Leeds City Council.

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

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 fresh raw and chilled meats.
2. Stakeholder requirements indicate a need for Halal and Non-Halal raw meat and these will be sourced as part of this procurement exercise and let via separate contract Lots.
3. The current arrangement is due to expire on 17 July 2019.
- 3 The current contract is seeing an increasing demand for fresh raw and chilled meats and therefore the current spend on the contract does not allow for the 12 month extension to be utilised.
- 5 Procuring a new contract will secure fresh meat products at the best possible prices.
- 6 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 through non-contract suppliers.
- 7 The value of the contract/arrangement is estimated to be £900,000 per annum

Recommendations

- 8 The Director of Resources and Housing is recommended to approve the commencement of a new procurement exercise to secure a contract for the supply of fresh meats. The contract will commence on the 18 July 2019 for a period of three years, with a possible 12 month extension and the approximate annual value will be £900k.

1. Purpose of this report

- 1.1 This report details the reasons why a new contract for the supply of fresh meats is required. The purpose of this report is to seek approval to commence a procurement exercise, which will see the award of a contract for this supply. The contract/arrangement will be for 3 years commencing 18 July 2019, with an option for a 12 month extension and the approximate annual value will be £900k.

2. Background information

- 2.1 The current contract for fresh meats has operated successfully since July 2016 and is due to expire on 17 July 2019.
- 2.2 There is the option for a 12 month contract extension, but the current spend on the existing contract does not allow this extension to be taken.
- 2.3 A fresh meats contract is required to provide for the needs of schools, children's services and Adult Social care. There is also a requirement for more commercially orientated units.
- 2.4 Not to have a contract in place will mean either the services required cannot be provided, or significant expenditure will be incurred non-contract.
- 2.5 The current demand for fresh meat has grown significantly over the last couple of years. This has been part of the policy to provide for a "food for life" accredited meal service in school meals. Due to this increase, and with the expiry of the current contracts it is the right time to secure a new contract for the provision of fresh raw and cooked meats.
- 2.6 There is a requirement for both raw halal meat and non halal meat and this will be provided for within separate Lots of the contract

3. Main issues

- 3.1 The current arrangement for fresh meats has now operated successfully for 3 years, and is used to provide fresh meats to Leeds City Council sites.
- 3.2 The current contract is due to end on 17 July 2019, and there is no allowable extension available due to the existing level of contract spend.
- 3.3 Universal Infant Free School Meals (UiFSM) and the award of "Food for Life" accreditation for over 140 primary schools, has increased the use of fresh meat significantly.
- 3.4 There is also a requirement for fresh meat in more commercially orientated units, such as Museums, and Parks and Countryside. The new tender will specify these requirements.
- 3.5 Fresh meats remain a crucial element for the provision of meals across Leeds City Council sites. The new procurement is an opportunity to ensure the Council's requirements are met, and the Council continue to receive the best value available.
- 3.6 Stakeholder's requirements have been considered and the need for both halal and non halal provision has been identified. This will be provided for within the procurement exercise by the letting of separate contract Lots.

- 3.7 Fresh meat prices fluctuate according to market trends. The current contract has enabled these prices to be fairly stable over the last couple of years.
- 3.8 Catering Leeds has clear product quality expectations and will not allow these standards to be compromised.

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 has taken place with the end users and Children's Services and commercial units.

4.2 Equality and diversity / cohesion and integration

An updated Equality, Diversity, Cohesion and Integration impact assessment screening has been carried out. This assessment identifies the ongoing relevance to religious and cultural needs that must be addressed within the procurement process. A variety of information including interaction and feedback from clients and customers and other interested parties and our own research regarding practices in meat processing and religious and cultural requirements has been considered. A requirement for Halal and non Halal meat will be incorporated within all aspects of the procurement process. In testing the market specific lots will be used within the procurement in an attempt to ensure that religious and cultural needs are included within the whole procurement process. The tender specification will be set out in the contract arrangements to provide relevant products for our customers, but this should not have a negative impact but a positive one in that we are aiming to provide for all relevant groups.

- 4.2.1 This indicates that the provision of a full range of meals, providing for identified cultural and religious groups will have a positive impact within schools and the city.
- 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 The contract for the supply of fresh meats will help the Council in achieving the health and wellbeing objective included as part of the Best Council Plan through the provision of nutritiously balanced meals in the majority of Leeds primary schools.
- 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 entered into as a result of the procurement exercise will be used for the purchase of fresh raw and chilled meats, which form an essential element of meals across Leeds City Council services.

- 4.4.2 Any contract 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 Civic Enterprise Leeds and Procurement Commercial Services (PCS) to meet the requirements of a tender exercise in order to award a contract for the supply of fresh meat.
- 4.4.4 It is not anticipated that there will be any additional resource implications once a contract for fresh meat is awarded.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The Director of Resources and Housing 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, will be obtained from PCS to ensure council governance is met, and fair competition is observed.
- 4.5.3 The value of the contract is estimated at £900k per annum. This is a key decision and 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 contract has been used for the purchase of fresh meat for the last 3 years.
- 5.2 This contract is due to end on 17 July 2019, and there is no allowable extension available.
- 5.3 Not to approve the authority to procure the supply of fresh meats, will mean either the service cannot be provided, or purchases to provide the service will be made non-contract.
- 5.4 This procurement also brings the opportunity to bring other services (by means of separate lots) into this contract.

6. Recommendations

- 6.1 The Director of Resources and Housing is recommended to approve the commencement of a new procurement exercise to secure a contract for the supply of fresh meats. The contract will commence on the 18 July 2019 for a period of three years, with a possible 12 month extension and the approximate annual value will be £900k.

7. Background documents¹

7.1 EDCI screening

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.