

Report of Venues Manager

Report to Chief Officer Culture and Sport

Date: 25 October 2018

Subject: Report to Approve a Contract for the Supply of Beers Wines and Spirits

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: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to seek approval to award a contract for the supply of Beers Wines and Spirits.
2. The new contract is due to start 1 January 2019.
3. The contract is to be awarded to Matthew Clark Bibendum Limited.
4. This report will detail the reasons for making this award based on quality and price.
5. The estimated value of the contract is £125k per annum.

Recommendations

6. The Chief Officer Culture and Sport is recommended to approve the award of a contract for the supply of beers, wines and spirits to Matthew Clark Bibendum Limited. The contract will commence on 1 January 2019 for a period of three years, with an option to extend for a further 1 year.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award a contract for the supply of beers wines and spirits to Matthew Clark Bibendum Limited
- 1.2 The contract will be for a period of 3 years commencing on 01 January 2019, with an option to extend for an additional period of 1 year.

2 Background information

- 2.1 The current contract for beers wines and spirits expires on 31st December 2018.
- 2.2 A procurement exercise has been undertaken with support and advice from Procurement and Commercial Services.
- 2.3 The Chief Officer, City Development approved the procurement exercise in May 2018, with the evaluation criteria agreed and signed off in July 2018.
- 2.4 Colleagues from Parks & Countryside, Civic Flavour and Museums were consulted over their requirements.

3 Main Considerations and Reasons for Contract Award

- 3.1 The current contract for beers wines and spirits expires on 31st December 2018 with no further option to extend.
- 3.2 The procurement exercise was conducted via YORtender in July-August 2018.
- 3.3 The tender was advertised in OJEU and Contracts Finder in July 2018.
- 3.4 Four tender submissions were received from Matthew Clark Bibendum Limited, H.B. Clark & Co (Successors) Ltd, LWC Drinks Ltd, GCP Solutions and all passed the selection criteria and progressed to quality evaluation.
- 3.5 Three submissions passed the quality evaluation questions.
- 3.6 Quality scores were then processed along with the pricing by Procurement and Commercial Services to produce a final evaluation spread sheet (appendix 1).
- 3.7 The overall price for the tender was £125k. This equates for approximately 95% of the current spend. Therefore the estimate for the annual value of the contract is £131k
- 3.8 This compares to the current price of £138k which equates to a saving of £13k per year over the previous contract.
- 3.9 The value of the contract, over the initial 3 years will be £375k.
- 3.10 As it is the existing supplier, there will be no issues around TUPE.
- 3.11 The preferred bidder has passed the vetting criteria.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 It is not considered that the content of this report or its recommendation made will have a significant impact on any particular ward or community.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There was no requirement to undertake an equality screening for this decision.

4.3 Council Policies and Best Council Plan

4.3.1 It is important 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 beers wines and spirits has been procured in line with Contract Procedure Rules.

4.4 Resources and Value for Money

4.4.1 The contract entered into as a result of this procurement exercise will be used for the purchase of beers wines and spirits. This forms an important element in delivering services across Leeds City Council.

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 There are no additional resource implications once the contract for the supply of beers wines and spirits is awarded.

4.4.4 Regular review meetings will take place with the supplier, along with regular benchmarking to ensure value for money continues to be obtained.

4.4.5 Any contract extension will only be awarded if the supplier demonstrates continuing value for money.

4.4.6 The new contract is expected to show savings estimated at £13k per annum against previous contract prices. All estimated savings are based on current usage and may vary.

4.4.7 There is also a risk, as a result of any trading arrangements that may change as a result of Brexit. It is currently not possible to evaluate the impact of that risk at this time.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The Chief Officer is authorised to make the decision to award a contract for the supply of beers wines and spirits.

4.5.2 Advice regarding the procurement exercise, including terms and conditions of contract, have been obtained from Procurement and Commercial Services to ensure council governance is met, and fair competition has been observed.

- 4.5.3 The maximum value of spend for the contract (excluding potential extensions) is £375k. This assumes that the current purchase levels are maintained. This figure may change if the mix of products purchased changes.
- 4.5.4 The original decision was a key decision and subject to call in. The award of this contract is a significant operational decision, as a consequence of a previous key decision.
- 4.5.5 The information contained in appendix 1 is exempt under Access to Information Rule 10.4 (3) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

4.6 Risk Management

- 4.6.1 There is no particular risk in approving the award of this contract. The winning contractor has had the necessary checks carried out during the procurement process.

5 Conclusions

- 5.1 The procurement exercise has determined the preferred bidder to be Matthew Clark Bibendum Limited.
- 5.2 The new contract will commence on 1st January 2019 for a period of 3 years with one additional extension option of 1 year.

6 Recommendations

- 6.1 The Chief Officer Culture and Sport is recommended to approve the award of a contract for the supply of beers, wines and spirits to Matthew Clark Bibendum Limited. The contract will commence on 1 January 2019 for a period of three years, with an option to extend for a further 1 year.

7 Background documents¹

- 7.1 None.

8 Appendices

- 8.1 Appendix 1 – Evaluation report for the supply of Beers Wines and Spirits (confidential)

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.