

Report of Head of Active Leeds

Report to Director of City Development

Date: 09/07/19

Subject: To award contracts to winning suppliers for the supply of fully managed and serviced vending machines

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

1. Main issues

- The Chief Officer, Culture and Sport previously authorised the procurement exercise for the supply of fully managed vending machines. After the evaluation period we are seeking authority to award the contract to the winning suppliers of the tender evaluation.
- The supply of vending machines contract is due to commence 1st August 2019
- The vending contract went out to tender in 4 separate lots using a price, quality separated approach. Evaluated and scored 40% quality, 60% price.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- Health and Wellbeing – This vending tender and contract supports offering more healthy vending options than ever before. Working with public health England and suppliers to ensure that we meet and exceed the recommended requirements in reducing sugar, fat and calories
- Sustainable infrastructure – The reduction and elimination of single use plastics is a top priority of LCC to enable the ambitious vision to become a carbon neutral city by 2030. This tender exercise quality questions focused heavily on the reduction and elimination of single use plastics in the vending service and the supply chain.

Working closely with suppliers LCC will be able to significantly reduce the use of single use plastics in vending services and where possible eliminate them altogether. Suppliers have expressed an explicit commitment in reducing their carbon footprint by moving away from diesel and petrol vehicles towards more eco-friendly electric and hybrid vehicles in the supply chain.

3. Resource Implications

- Not subject to call in.

Recommendations

- a) It is recommended for the Chief Officer of Resources and Strategy to award the contracts for the supply and fully managed service to the winning suppliers of the tender evaluation. Awarded in 4 separate lots based on a price, quality separated approach.
- b) The winning suppliers of the tender evaluation are:
 - Lot 1 (Cold Drinks) – Selecta UK Ltd
 - Lot 2 (Hot Drinks) – Wilkes Vending Services Ltd
 - Lot 3 (Snacks) - Wilkes Vending Services Ltd
 - Lot 4 (Sports Nutrition) – Selecta UK Ltd

1. Purpose of this report

- 1.1 Authority is required to award contracts to winning suppliers of the tender evaluation.

2. Background information

- 2.1 The supply of vending machine contract, or the council expires on 31st July 2019. A new contract is therefore required to ensure the continuation of this service to the public.
- 2.2 A procurement exercise has taken place and after the tender evaluation the winning suppliers have been identified.
- 2.3 A Leeds city council food vending trial has been running in partnership with public health England and vending suppliers, to determine the effects of having healthier items and eating choices in the vending machines. This study has been utilised in the writing of the specification to support healthier eating options as well as providing freedom of choice to customers.
- 2.4 Vending machines have been criticised for providing convenient access to food and drinks that are high in saturated fat, sugar and salt. Local Authorities can have a significant role to play in improving the food offered to staff and visitors. Action to increase the volume of healthier food and drinks available in vending machines provides a significant opportunity to encourage consumption of healthier options. Leeds City Council is working on the adoption of a Healthy Weight Declaration (HWD) which seeks to demonstrate commitment and responsibility to develop and implement policies which promote healthy weight

2.5 Leeds City Council has the opportunity to help people to make healthier food choices by making changes to vending machines. The Council's current vending contract is due to expire in July 2019 providing a timely opportunity to influence. A trial which aims to help to encourage healthier food choices, whilst monitoring income is due to start in September running until April 2019 working across Leisure Services vending. The trial will inform the re-procurement of the Council's vending and influence the potential development of national vending advice, working with Public Health England.

3. Main issues

3.1 After a successful procurement and tender exercise approval is required to award the contract to the winning suppliers.

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 and as such no consultation has taken place.

4.1.2 The procurement unit has been consulted on the process and support the option to award the contract for fully managed vending services. This will ensure all tender related processes and procedures comply with the legislation.

4.1.3 Public Health England have also been consulted and Leeds city councils vending trial findings have been incorporated within the tender documents.

4.2 Equality and diversity / cohesion and integration

4.2.1 Equality, Diversity, Cohesion & Integration Impact Assessment (EDCI) was carried out at the start of the tender process. There are no significant equality issues to act upon.

4.3 Council policies and the Best Council Plan

4.3.1 Climate Emergency – The transition to hybrid and electric vehicles for the supply fleet will help to reduce carbon emissions.

4.3.2 The reduction and elimination of single use plastics will help to reduce waste that goes to landfill.

4.4 Resources, procurement and value for money

4.4.1 Estimated total annual contract value is £246k

4.4.2 Based on current annual cash sales, estimated total annual rebate income for LCC could be up to £65k

4.4.3 There are no additional resource implications once a contract is awarded.

4.4.4 The contract will be managed and reviewed quarterly to ensure LCC continue to receive value for money throughout the life of the contract.

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

- 4.5.1 The Chief Officer, Resources and Strategy is authorized to make this decision to commence the procurement process.
- 4.5.2 Advice regarding the procurement exercise, including terms and conditions of the contract will be obtained by the procurement team to ensure council governance is met.
- 4.5.3 The annual value the contract is estimated at £246k. This is a significant operational decision and not subject to call in.

4.6 Risk management

- 4.6.1 There is a risk that if the vending contract is not awarded then LCC will lose income and not be able to provide a vending service to our valued customers

5. Conclusions

- 5.1 The contract for the supply of vending machines for the council expires on 31st July 2019. A procurement and tendering exercise has been completed and it is recommended a new contract is awarded to suppliers of each winning lot to ensure the continuation of this service to the public.

6. Recommendations

- 6.1 The Chief Officer, Resources and Strategy is recommended to authorise a new contract for the supply of vending machines, awarded in 4 lots.
- 6.2 The Chief Officer, Resources and Strategy is recommended to award the contracts to the winning suppliers.
- 6.3 The winning suppliers of the tender evaluation are:
 - Lot 1 (Cold Drinks) – Selecta UK Ltd
 - Lot 2 (Hot Drinks) – Wilkes Vending Services Ltd
 - Lot 3 (Snacks) - Wilkes Vending Services Ltd
 - Lot 4 (Sports Nutrition) – Selecta UK Ltd
- 6.4 The contract is due to commence 01 August 2019 for a period of 3 years, with 1 x 12 month option to extend.

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.