

Report of Head of Catering Services

Report to Director of Resources and Housing

Date: 03 January 2020

Subject: Authority to procure contract(s) for the supply of fresh milk, yoghurt and dairy products (excluding hard cheese)

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 checked="" type="checkbox"/> Yes <input 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 current contract for the supply of fresh milk, yogurt and dairy products (excluding hard cheese) ends on 01 August 2020
- A new contract for this supply is required to meet the existing demand for these products across a number of different services.
- Not to have a contract in place will lead to significant non-contract spend.

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

- By ensuring a compliant contract is in place, services provided by Leeds City Council will continue to offer the safe provision of goods which impact a number of key areas across a full cross section of Leeds residents.

3. Resource Implications

- Resources are available from both CEL and Procurement Unit to meet the requirements of a tender exercise in order to award a contract.
- There are no additional resource implications once a contract is awarded.
- Catering services are not anticipating any significant impact on finances, but this will be looked at during the tender evaluation stage.

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to approve the authority to procure contracts for the supply of fresh milk, yoghurt and dairy products (excluding hard cheese) for a period of 3 years with a possible extension of 1 year. The estimated value is expected to be in the region of £80,000 per year.
- b) The Chief Officer Civic Enterprise Leeds is also recommended to approve a price/quality split of 70/30 for these contracts.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to tender for the supply of fresh milk, yoghurt and dairy products (excluding hard cheese).

2. Background information

- 2.1 The current contracts, with a single supplier, are due to expire on 01 August 2020
- 2.2 The current contract provides fresh milk, yoghurt and dairy products (excluding hard cheese) across a variety of council catering services.
- 2.3 The use of these types of produce is fairly stable at the current time

3. Main issues

- 3.1 The current contracts for the supply of supply of fresh milk, yoghurt and dairy products (excluding hard cheese) is due to expire on 01 August 2020.
- 3.2 Leeds City Council are unable to provide these types of products from an in-house provider.
- 3.3 There are 3 distinct areas requiring a contract for the supply of fresh milk, yoghurt and dairy products (excluding hard cheese). This will require 3 separate lots to be tendered.
- 3.4 Lot 1 – standard milk, yoghurt and dairy products. There is a requirement across all catering sites for these products and will form the main bulk of the requirements for Leeds City Council.
- 3.5 Lot 2 – There is a requirement for organic dairy produce in some sites to meet higher “food for life” accreditations. This is currently a fairly limited and restricted requirement, and is not anticipated to increase significantly in the near future.
- 3.6 Lot 3 – Speciality cheeses for commercial operations, such a “Flavour” functions “Flavour” are the commercial catering section of Catering Leeds. This will only be for specialist cheeses, and not standard hard cheeses used in contract catering operations.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Client departments have been consulted over their requirements

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An equality, diversity and cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific group or individuals.

4.3 Council policies and the Best Council Plan

- 4.3.1 The services provided under this report will contribute to the Councils business plan through spending money wisely.
- 4.3.2 The provision of a contract for a higher specified contract for commercial catering, will re-inforce income generation from commercial outlets.

Climate Emergency

- 4.3.3 The tender will look closely at how any successful tenderer(s) will work with Leeds City Council to meet requirements to reduce their impact on the environment. This will include looking at sustainability of food components in the products, and how packaging environmental impacts can be reduced through recycling and/or composting.

4.4 Resources, procurement and value for money

- 4.4.1 The contract(s) is to be re-tendered to enable market testing to take place and ensure best value is achieved.

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

- 4.5.1 Contract Procedures allows the contract to be re-tendered before its expiry date 01 August 2020
- 4.5.2 Procurement and Commercial Services have provided advice over the compliant way to procure the contract(s) proposed in this report.
- 4.5.3 As the anticipated spend over the 3 year contract(s) and 1 year extension is expected to be around £320,000, this is a significant operating decision and is not subject to call in.

4.6 Risk management

- 4.6.1 Not approving, this authority to procure a contract renewal, would prevent LCC from testing the current market and would mean there would be non-contract spend in this area.
- 4.6.2 There is no particular risk in approving the commencement of a procurement exercise.

5. Conclusions

5.1 A full re-tender exercise to should be undertaken for the supply of fresh milk, yoghurt and dairy products (excluding hard cheese) based on the lots as described in section 3 above.

6. Recommendations

6.1.1 The Chief Officer Civic Enterprise Leeds is recommended to approve the authority to procure contracts for the supply of fresh milk, yoghurt and dairy products (excluding hard cheese) for a period of 3 years with a possible extension of 1 year. The estimated value is expected to be in the region of £80,000 per year.

6.1.2 The Chief Officer Civic Enterprise Leeds is also recommended to approve a price/quality split of 70/30 for these contracts.

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.