



Report of: Chief Officer Civic Enterprise Leeds

Report to Director of Resources and Housing

Date: 20th May 2020

Subject: Authority to award a contract for the supply of individual frozen meals

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 supply of individual frozen meals and hire of regeneration vehicles is due to expire on 30th June 2020.
- Suppliers were asked to submit competitive tenders for the supply of frozen meals only. The hire of regeneration vehicles was not considered as part of this tender exercise as this element of the service has been reconfigured and brought in-house with meals to be delivered using electric vehicles. This is part of the action plan to contribute savings of £51k to eliminating the £200k overall subsidy included within the Adults and Health budget strategy for 2020/21.
- Meals at home provides hot meals and cold teas to vulnerable older people in Leeds 365 days a year approximately 12,000 meals are delivered on a monthly basis.
- The service operates from one site based in Leeds where frozen meals are ordered, stored, reheated, loaded into insulated packaging and then driven to customers in our own fleet of electric vehicles.
- One bid was received from the existing supplier, Apetito Limited. The contract is for three years with a one year option to extend and the annual cost is an estimated £235,000 per annum.

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 a service to Leeds residents, consisting of a healthy balanced meal which meets nutritional standards and ensure the service user remain hydrated throughout the day
- By ensuring a compliant contract is in place, this service provided by Leeds City Council helps develop safe strong communities protecting the most vulnerable within the community. The continuation of this service ensures a safe provision for Leeds residents by enabling them to live independently within their home for a longer period.

3. Resource Implications

- Resources were available from both Civic Enterprise Leeds (CEL) as the lead client, and is supported by the Council's Procurement and Commercial Service to meet the requirements of this tender exercise resulting in the award of this contract.
 - There are no additional resource implications once this contract is awarded.
- Recommendations
- a) The Director of Resources and Housing is recommended to approve the contract award for the supply of individual frozen meals. The contract is due to commence on the 1st July 2020 for a period of 3 years with 1 x 12 month option to extend at estimated value of £235k per annum.

4. Recommendations

The Director of Resources and Housing is recommended to approve the contract award for the supply of individual frozen meals at an estimated value of £235k per annum. The contract is due to commence on the 1st July 2020 for a period of 3 years with 1 x 12 month option to extend.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Director of Resources and Housing to tender for the provision to supply individual frozen meals to Apetito Limited from 1st July 2020 for a three year period with 1 x 12 month option to extend.

2. Background information

- 2.1 The current contract is due to expire on 30th June 2020, which is currently undertaken by Apetito Limited.
- 2.2 A new contract is required which will demonstrate value for money, the estimated value for this contract is £235,000 per annum.
- 2.3 This contract is required by Meals at Home service for the supply of individual frozen meals within the Leeds City Council boundary.
- 2.4 A tender exercise was undertaken and whilst three suppliers registered their interest in the tender only one bid was received from Apetito Limited.
- 2.5 The food priced stipulated a unit price per meal, with units and costs per case and average meal weight as well as diet information.

3. Main issues

- 3.1 Apetito Limited submitted a tender which met the specification and which assured the service there will be no price increase within the first 12 months of the contract. Thereafter the supplier can apply for the price to be reviewed on annual basis.
- 3.2 Apetito Limited have been undertaking the existing contract for the supply of individual frozen meals since 2008 and have worked closely with the Authority to ensure the nutritional requirements for older people are met in each meal. There have been no contract issues with Apetito Limited through this contract.
- 3.3 During this tender exercise we have been given assurances that the food supplied meets the appropriate minimum food requirement as well as meeting individual needs according to special diets, medical needs, religion and race.
- 3.4 Approving this contract award report is an important element of the action plan to deliver the £200k savings included within the Adults and Health directorate for 2020/21. One of the key actions in contributing to eliminate the subsidy is to change how we cook and deliver the meals. Until recently, we had a contract in place with Apetito who provide both the frozen meals and 15 diesel chef mobile vans which cook the meals (they have ovens fitted for the heating up of the frozen meals) before heading out on routes for delivery. For the meals to be heated up, the vehicles need to be started up and left idling for 40 minutes – this obviously has a huge environmental as well as financial impact.
- 3.5 Approving this contract award report will ensure that the provision of the meals does not include delivery of the meals using Apetito vehicles. The delivery of the meals is to be brought in house using 15 electric vehicles (EVs), and includes the installation of 2 additional ovens within the in house kitchen facilities so that the meals could be cooked and to be delivered using electric hot boxes within the EVs (the hot boxes will be used to maintain temperature of the meals whilst they are in transit to

delivery). Approving this contract award will enable part of the action plan to contribute the £51k savings towards the overall £200k savings target.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Throughout the existing contract we actively encourage customer feedback on the service, in particular the food. This feedback consistently shows customers are happy with the service. Any concerns are immediately dealt with and rectified appropriately.

4.1.2 Throughout the procurement process colleagues from both Civic Enterprise Leeds and the Council's Procurement and Commercial Service have been involved.

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 Council's business plan through spending money wisely, contribute to developing an age friendly Leeds by promoting opportunities for older people to be healthy, included and respected.

The service provided under this report helps develop safe strong communities protecting the most vulnerable keeping them safe from harm and supporting self-care.

This service is currently deemed to be strategically important to the Council and meets a number of key strategies around health and independent living.

Climate Emergency

4.3.2 In order to meet climate emergency expectations a comprehensive route planning exercise is undertaken on a regular basis to ensure mileage is reduced to the minimum on all routes planned.

4.3.3 The service is looking to insource the delivery of the meals using LCC electric vehicles rather than the existing diesel fuel vehicles, this will enable Leeds City Council to comply with the Clean Air Zone.

4.3.4 Consideration was also considered to environmentally friendly packaging for both individuals frozen meals and the packaging on how it is delivered to site as part of this tender exercise.

4.4 Resources, procurement and value for money

4.4.1 Market testing has been undertaken and this procurement exercise was to make sure that best value is achieved.

4.5 Apetito Limited submitted a tender which met the specification and which assured the service there will be no price increase within the first 12 months of the contract. Thereafter the supplier can apply for the price to be reviewed on annual basis.

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

4.6.1 This report does not contain any exempt or confidential information.

4.6.2 This is a Significant Operational Decision, as a direct consequence of a previous Key Decision taken to procure a contract for frozen meals. It is not eligible for call in.

4.7 Risk management

4.7.1 The contract is required to enable continuation of the service in respect of the supply of meals to a vulnerable client group within Leeds. There are no risks associated with the letting of this contract.

5. Conclusions

5.1 A competitive exercise has been undertaken for the supply of frozen meals and only one supplier submitted a bid (Apetito) with an estimated contract value of £235k per annum.

6. Recommendations

6.1 The Director of Resources and Housing is recommended to approve the contract award for the supply of individual frozen meals at an estimated value of £235k per annum. The contract is due to commence on the 1st July 2020 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.