



**Report of: Head of Leeds Building Services**

**Report to: Chief Officer Civic Enterprise Leeds**

**Date: 4th June 2020**

**Subject: DN218184 Supply of Catering and Laundry Equipment - Contact Extension**

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**

- Leeds Building Services (LBS) currently has a framework contract for the supply and delivery of catering and laundry equipment which is due to expire on the 19<sup>th</sup> June 2020. This contract has an additional 12 months extension available. LBS would like to utilise this extension period.
- The original framework started on the 20<sup>th</sup> June 2017 for an initial term of 2 years with the option to extend for a further 2 x 12 months.
- LBS have already utilised one of the two available extension options from June 2019 to June 2020, and this report seeks to recommend use of the second available extension period. Based on historical spend, LBS would like to extend this contract at a value of up to £360,000. However, as this is a framework, there is no commitment to spend any money. Authority to spend will be obtained at the time an item is required.
- This contract is used by LBS to support a variety of LCC departments with the procurement of catering and laundry equipment. These include Corporate Property Management, Catering Services, and Housing Leeds.

## 2. Best Council Plan Implications

- Housing – improving housing quality, promoting independent living, meeting the needs of older and vulnerable residents.
- Health and Wellbeing – reducing health inequalities and improving the health of the poorest the fastest.

## 3. Resource Implications

- The proposed extension to this framework will maintain an efficient method of purchasing these essential goods. LBS will continue to procure goods using the methods set out in the framework to ensure we are obtaining value for money.

## Recommendations

- a) The Chief Officer Civic Enterprise Leeds is requested to note the content of this report and to approve the recommendation to extend the contract with all framework suppliers for a further period of 12 months commencing 20<sup>th</sup> June 2020 and finishing on 19<sup>th</sup> June 2021, with a total extension value of up to £360,000.

### 1. Purpose of this report

- 1.1 This report is to inform the Chief Officer Civic Enterprise Leeds the requirement to extend the Catering and Laundry Equipment Framework. The extension will be for a period of 12 months starting from 20<sup>th</sup> June 2020. This covers the second of the two possible extensions.

### 2. Background information

- 2.1 LBS set up a framework in June 2017 to allow the Council to procure a range of catering and laundry equipment in a compliant manner. The framework was set up with multiple lots containing several suppliers in each lot.

- 2.2 The framework structure is;

Lot 1 – Commercial Gas Catering Equipment

Lot 2 – Commercial Electric and Refrigeration Catering Equipment

Lot 3 – Domestic Gas Catering Equipment

Lot 4 – Domestic Electric Refrigeration Catering Equipment

Lot 5 – Commercial Laundry Equipment

Lot 6 – Domestic Laundry Equipment

- 2.3 Contracts were awarded to the following suppliers for each lot:

Lot 1 – Commercial Gas Catering Equipment	Airedale Catering Equipment Limited Stearn Electric Company Limited
Lot 2 – Commercial Electric and Refrigeration Catering Equipment	Airedale Catering Equipment Limited Stearn Electric Company Limited

Lot 3 – Domestic Gas Catering Equipment	John Gillman & Sons (Electrical) Limited Stearn Electric Company Limited t/a EMS Stearn Electric Company Limited
Lot 4 – Domestic Electric Refrigeration Catering Equipment	John Gillman & Sons (Electrical) Limited Stearn Electric Company Limited t/a EMS Stearn Electric Company Limited
Lot 5 – Commercial Laundry Equipment	Airedale Catering Equipment Limited Electrolux Professional Limited G Bradbury Limited John Gillman & Sons (Electrical) Limited Stearn Electric Company Limited t/a EMS Stearn Electric Company Limited
Lot 6 – Domestic Laundry Equipment	Airedale Catering Equipment Limited G Bradbury Limited John Gillman & Sons (Electrical) Limited Stearn Electric Co Ltd Trading As EMS Stearn Electric Co Ltd

2.4 For each lot, LBS have the option to direct award to the number 1 ranked suppliers or run mini-competitions.

### **3. Main issues**

- 3.1 The contract is due to expire on the 19<sup>th</sup> June 2020 with 1 remaining 12 months extension available. LBS are seeking approval to utilise this remaining extension in accordance with CPR 21.1 and award extensions for lots 1 to 6.
- 3.2 During discussions, LBS have confirmed that the current contract is working satisfactorily and no better option has been identified which could be procured in time prior to the expiry of this contract to ensure there is no lapse in contract compliancy.
- 3.3 LBS will be looking to re-procure this framework in time for the new contract to start in June 2021.

### **4. Corporate considerations**

#### **4.1 Consultation and engagement**

- 4.1.1 Consultation has taken place with the Head of LBS, LBS Key Stakeholders, Procurement and Commercial Services (PACS), and Civic Enterprise Leeds (CEL) Senior Management Team, who are all in agreement with the recommendations in this report.

- 4.1.2 In light of recent guidance issued from the Corporate Leadership Team (CLT) in relation to the budgetary impact of COVID-19, and to ensure that reviews are being conducted to ensure contract awards and extensions are necessary in the current climate, this requirement has been discussed between the LBS Procurement & Commercial Lead, acting as Category Manger for LBS, the Head of LBS, and the Senior Financial Officer for LBS and has been deemed a statutory requirement to ensure continued supply of catering and laundry equipment to internal LCC departments as required over the next 12 months.
- 4.1.3 The proposed extension to this existing framework will allow LBS sufficient time to review this requirement to determine a suitable method to re-procure the contract in line with the LBS Procurement Strategy approach which has been developed through consultation between Senior Procurement colleagues, and the Head of Leeds Building Services

## **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 It is not necessary to carry out an additional EDCI screening or impact assessment at this time as there will be no change to framework terms or conditions and the original EDCI is satisfactory.

## **4.3 Council policies and the Best Council Plan**

- 4.3.1 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness and procured in line with Leeds City Council's Contract Procedure Rules.
- 4.3.2 The proposed extension to this contract will maintain a compliant method of purchasing these essential goods.

### Climate Emergency

- 4.3.3 At Full Council on 27 March 2019, Leeds City Council passed a motion declaring a Climate Emergency. In addition, the Leeds Climate Commission have proposed a series of science based carbon reduction targets for the city so that Leeds can play its part in keeping global average surface temperatures to no more than 1.5°C.
- 4.3.4 It is not believed that the proposed extension decision is likely to have an impact, either positive or negative in carbon emissions and the climate emergency.
- 4.3.5 However, through delivering the service with LBS we are supporting the commitment to reduce air pollution, with the service having the largest fleet of electrical vehicles across the Council. Following further expansion of LBS electric vehicles in October 2019, Leeds City Council will have the largest fleet of electric vehicles of any council in England.

## **4.4 Resources, procurement and value for money**

- 4.4.1 The proposed extension to this contract will maintain an efficient method of purchasing these essential goods and is expected to offer value for money through the purchasing methods established within the contract.
- 4.4.2 As this is a framework, there is no commitment to spend any money. Authority to spend will be obtained at the time an item is required.

4.4.3 Extending this contract also provides a source of income generation for LBS, along with supporting the statutory service provision through Housing Leeds.

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

4.5.1 This is a Significant Operational Decision which is not subject to call-in and there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

4.5.2 Whilst there are no legal implications in taking up the extension (assuming it is to be taken up in line with the terms of the framework agreement), in making their final decision, the Chief Officer Civic Enterprise Leeds should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

#### **4.6 Risk management**

4.6.1 The existing suppliers have performed well and so the risk in extending the contract is low. A new tender exercise is not expected to bring any further savings at this time, and additional costs would be associated with a further tendering process.

4.6.2 If this extension isn't approved, this service will no longer be contractually compliant and therefore incur high levels of non-contract spend which may put the Council at risk of challenge from other suppliers.

4.6.3 We will conduct due diligence checks again to ensure each supplier remains financially sound.

### **5. Conclusions**

5.1 The extension of this contract should be approved in order to allow the purchasing of goods to continue compliantly and on contract. This extension of 12 months will be used to prepare and conduct a future procurement exercise to cover the provision of catering and laundry equipment going forward.

### **6. Recommendations**

6.1 The Chief Officer Civic Enterprise Leeds is requested to note the content of this report and to approve the recommendation to extend the contract with all framework suppliers for a further period of 12 months commencing 20<sup>th</sup> June 2020 and finishing on 19<sup>th</sup> June 2021, with a total extension value of up to £360,000.

### **7. Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> 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.