

Report of Head of Catering

Report to Director of Resources and Housing

Date: 23 November 2020

Subject: Request to Extend Contract DN334473 for Supply of Fresh Fruit and Vegetables for 12 months from 1 July 2021

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1. Summary of main issues

- In 2018 a 3 year contract (with a 12 month extension option) for the supply of fresh fruit and vegetables (DN334473) was awarded to GT Produce Ltd, commencing on 1 July 2018.
- The current contract has run very well, and after a benchmarking exercise, continues to demonstrate good value for money.
- The value of the 12 month extension is estimated at £1,000,000. This will be dependent on the service provided by Catering Leeds, but is based on assuming pre-Covid uptake of meals across the service.

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 and Commercial Services (PACS) to meet the requirements of this contract extension award.
- There are no additional resource implications once the contract extension is awarded. The pricing for the contract extension is in line with the original contract rates which means that there will be no adverse financial implications as a result of extending this contract.

Recommendations

- The Chief Officer Civic Enterprise Leeds is recommended to approve the extension of the existing contract (DN334473) with GT Produce Limited for the supply of fresh fruit and vegetables for 12 months from 1 July 2021 to 30 June 2022, with an estimated value of £1,000,000.

1. Purpose of this report

- 1.1 To seek approval from the Director of Resources and Housing to approve an extension to the contract (DN334473) for the supply of fresh fruit and vegetables by GT Produce Ltd for 12 months from 1 July 2021 to 30 June 2022.

2. Background Information

- 2.2 In 2018 the contract for supply of fresh fruit and vegetables (DN334473) was awarded to G T Produce Ltd commencing on 1 July 2018. The contract was awarded for 3 years with an option to extend by an additional 12 months.
- 2.3 The contract was awarded under the 2015 Public Regulations with an estimated value of £1,000,000 per year.
- 2.4 The contract supports the delivery of the catering services function to the Council. There is still a requirement for these services and continuity of supply is essential to deliver a continuous service delivery.

3. Main issues

- 3.1 Fresh fruit and vegetables remain an essential element in the provision of school meals and other catering services across Leeds City Council sites. This contributes to the provision of healthy nutritious meals across the full range of age groups within the city.
- 3.2 The contract extension is for a period of 12 months from 1 July 2021 to 30 June 2022. The estimated value of the variation will be £1,000,000.
- 3.3 The current supplier GT Produce Ltd has agreed to the extension. This extension is allowed under the terms of the original tender and contract award.
- 3.4 The current COVID-19 situation has created additional services and problems to be resolved by the Catering Leeds. GT Produce Ltd have greatly assisted Catering Leeds in providing some of these additional requirements.
- 3.5 GT Produce have performed well during this contract. Pricing remains stable, and delivery performance has been excellent. GT Produce have supported Catering Leeds in the provision of weekly free school meal hampers to schools during the Covid-19 crisis.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has taken place with client areas affected and GT Produce Limited.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An Equality Impact Assessment Screening Tool was completed for the original tender.

4.3 Council policies and best council plan

4.3.1 This contract contributes towards and supports the Councils priorities to spending money wisely.

Climate Emergency

4.3.2 The contractor re-uses delivery packages and delivery boxes and recycles these and local suppliers are also used wherever possible to minimise the impact on the climate through minimising the distances of which the produce is transported. This also includes looking at the logistics around delivering to sites across the Leeds Metropolitan District with the aim of minimising the environmental impact.

4.3.3 GT Produce Ltd continue to support local initiatives by offering produce with short shelf life to community hubs to distribute to local citizens with urgent needs.

4.4 Resources, Procurement and Value for Money

4.4.1 The contract was originally tendered via the open marketplace, and it is believed that it still offers value for money.

4.5 Legal Implications, access to information and call In

4.5.1 The contract extension is allowed in the terms and conditions of the original tender documents and subsequent contract award.

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

4.5.3 This is a significant operating decision as it is a follow on from a previous key decision.

4.5.4 Although the contract extension is in excess of £500,000, as a consequential decision to a key decision, it is not subject to call in.

4.6 Risk management

4.6.1 As the extension is detailed in the original tender documents and contract award there is very little risk of a legal challenge.

4.6.2 Not extending the existing contract, could lead to unknown pricing and service delivery, if the existing contractor was unsuccessful.

4.6.3 The risk of not extending could lead to significant no-contract spend being incurred if a contract is not awarded.

5 Conclusions

5.1 Extending the contract will allow for continuity of service delivery in the supply of fresh fruit and vegetables.

5.2 The contract extension allows for the current levels of service delivery with the existing supplier for a further 12 months and the Director of Resources and Housing is therefore requested to approve the recommendations in this report.

6 Recommendations

6.1 The Chief Officer Civic Enterprise Leeds is recommended to approve the extension of the existing contract (DN334473) with GT Produce Limited for the supply of fresh fruit and vegetables for 12 months from 1 July 2021 to 30 June 2022, with an estimated value of £1,000,000.

7 Background documents¹

7.1 Benchmarking Summary (appendix 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.