

Authority to Procure a new contract for the supply of fresh fruit and vegetables

Date: 8 November 2021

Report of: Chief Officer Civic Enterprise Leeds

Report to: Director of Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- A new contract for the supply of fresh fruit and vegetables is required to meet the requirements of a number of catering operations across the city
- Having a compliant contract/framework will demonstrate the market has been tested and any new contract/framework offers very good value for money
- Provision of fresh fruit and vegetables ensures healthy options are available to service users
- This contract will support front line council in delivering their services.

Recommendations

The Director of Resources is recommended to give the authority to procure a new contract for the supply of fresh fruit and vegetables. The new contract is due to commence on 1 July 2022 for a period of 3 years, with 2 x 12 month extensions.

Why is the proposal being put forward?

- 1 The current framework DN334473 supply of fresh fruit and vegetables is due to end on 30 June 2022, with no option to extend.
- 2 The current contract was for a three year period, from 1 July 2018 to 30 June 2021, with a 12 month extension which has been used. The previous contract was awarded to a single supplier with an estimated annual value of £1,300,000.
- 3 Leeds City Council require a compliant contract to ensure they can continue to provide fresh fruit and vegetables as a healthy and nutritious part of catering services that are provided across the city.
- 4 Not to approve this request to give authority to procure a new contract risks non-compliant spend, higher prices, and potential affect continuity of supply.

What impact will this proposal have?

Wards affected:

Have ward members been consulted?

Yes

No

- 5 Approving the authority to procure a new contract/framework will ensure the council will continue to have a supply of quality fruit and vegetables.
- 6 Having a compliant contract in place will ensure the council can continue to access quality fresh fruit and vegetables for a variety of council departments to meet their front-line service requirements. This includes the provision of school meals, including free school meals
- 7 If a new contract is not in place, the Council will be subject to non-compliant spend and potentially significantly higher prices.
- 8 The tender opportunity will allow the Council to test the market with the view to maintaining costs in this area. As fresh fruit and vegetables are seasonal, availability and prices are subject to seasonal variations.
- 9 Discussions have taken place with colleagues in PACS to review the specification in the following areas; promote electric vehicles for delivery, specify more seasonality and local products to reduce cost and journey times, looking at lowering the grade of products and the associated effect on price to explore where efficiencies can be sought with little effect, but acceptable results on quality. The successful supplier to work with the Council through contract management meetings to identify and promote better ways of working to produce efficiencies.
- 10 The Council will work with the successful bidder to identify costs savings by: stipulating a pre-defined mark up for non-contract lines; supplier to procure lowest priced options; a "price" cap on produce where there is weather related price volatility; price fixed for defined periods and variations only allowed where documentary evidence supports such changes; all costs charged to the Council must include all supplier operating costs; faster payments offered to suppliers to attract additional discount; the supplier to agree to open book accounting regarding products; the successful bidder will be encouraged to promote to the council additional innovative produce which offer the council either financial or other benefits (reduced food miles, seasonal, local).
- 11 The Council will work with the successful bidder to mitigate any impacts of food inflation, by offering seasonal fruit and vegetables, and amending menus to utilise produce when prices are

lower. The council will work with the successful bidder to look for further efficiencies and added social value.

- 12 Catering Leeds holds a bronze level, “food for life served here” accreditation. Fresh fruit and vegetables are essential in maintaining this accreditation.
- 13 The current supplier assisted Catering Leeds in providing catering for free school meal children during Covid-19 lockdowns, and whilst pupils have to self-isolate.

What consultation and engagement has taken place?

- 14 Catering Leeds have been consulted as to their continuing requirements. Parks and Countryside, and Museums have been invited to be part of the tender process.

What are the resource implications?

- 15 Leeds Catering and PACS have resources available to procure a new contract/framework for the supply of fresh fruit and vegetables.

What are the legal implications?

- 16 PACS have advised there are no legal implications to procure a new contract/framework for the supply of fresh fruit and vegetables.

What are the key risks and how are they being managed?

- 17 i) A key risk is to ensure that a compliant contract/framework is successfully procured. PACS will guide catering services to ensure risks are minimised in this procurement.
ii) Not to procure a contract/framework risks the council having to incur non-compliant spend with higher costs. PACS and catering services will ensure a compliant contract/framework is in place by 1 July 2022

Does this proposal support the council’s three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 18 i) The new contract/framework will ensure catering services can continue to offer healthy meal choices to all citizens of Leeds.
ii) The council will work with the successful bidder to reduce environmental impact of the contract. This will, where possible, using greener vehicle, sourcing produce close to Leeds and making fewer deliveries.

Options, timescales and measuring success

What other options were considered?

- 19 When approval is given PACS and catering services will check to see if any existing external frameworks will meet the requirements for the council.

How will success be measured?

- 20 Success will be measured by procuring a compliant contract/framework that meet the requirements of the council for the supply of fresh fruit and vegetables, whilst offering excellent value for money.

What is the timetable for implementation?

21 The new contract needs to be in place for 1 July 2022.

Appendices

22 Appendix A – EDCI Screening Form

23 Appendix B – DPIA Fresh Fruit and Vegetables

Background papers

24 Paper A – Background Paper for supply of fresh fruit and vegetables.