

Contract extension DN401847 for the supply of raw meat, sausages and chilled cooked meats for 12 months from 18<sup>th</sup> July 2022.

Date: 13 June 2022

Report of: Head of Catering and Fleet Services

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**

- To extend the existing contracts for the supply of raw meat, sausages and chilled meats to meet the requirements of catering operations across the city
- Benchmarking has demonstrated the existing contracts continue to provide good value for money
- Provision of raw meat, sausages and chilled sliced meats ensures healthy balanced options are available to service users
- This contract continues to support front line council in delivering their services.

### **Recommendations**

The Director of Resources is recommended to approve the contract extensions from 18<sup>th</sup> July 2022 for a period of 12 months as detailed below:

Lot 1 Fresh Raw Meat to J W Young (Butchers) Ltd from 18<sup>th</sup> July 2022 for a period of 12 months estimated value £650,000

Lots 2 and 3 Halal Meat to J W Young (Butchers) Ltd from 18<sup>th</sup> July 2022 for a period of 12 months estimated value £150,000

Lot 4 Cooked Chilled Meats to J & S Foods from 18<sup>th</sup> July 2022 for a period of 12 months estimated value £45,000

Lot 5 Specialist Quality Meats to Doric Game Ltd from 18<sup>th</sup> July 2022 for a period of 12 months estimated value £50,000

## Why is the proposal being put forward?

- 1 The current contracts DN401847 for the supply of fresh raw meats, sausages and chilled sliced meats is due to end on 18<sup>th</sup> July 2022, with an option to extend for 12 months
- 2 The current contract is for 3 year period, from 18<sup>th</sup> Jul 2019 to 17<sup>th</sup> July 2022, with one 12 months extensions.
- 3 Leeds City Council require a compliant contract to ensure they can continue to provide fresh dairy produce as a nutritious part of catering services that are provided across the city.
- 4 The current contracts continue to demonstrate good value for money.

## What impact will this proposal have?

### Wards affected:

Have ward members been consulted?  Yes  No

- 5 Approving the contract extensions will ensure the council will continue to have a supply of fresh raw meat, sausages and chilled sliced meats.
- 6 Having compliant contracts in place ensure the council can continue to access fresh raw meat, sausages and chilled sliced meats. 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 contracts are not in place, the Council will be subject to non-compliant spend and potentially significantly higher prices.
- 8 Benchmarking has taken place and demonstrates the contracts continue to offer good value for money. One of the main wholesalers were used for benchmarking, and despite inflationary pressures, our current suppliers continue to offer good value for money.
- 9 As widely reported in the national news there are unprecedented inflationary pressures, across all food markets, at the current time. The benchmarking includes current price from JW Youngs. There may be additional pressures for price increases in the coming year.
- 10 Paper 1 – Data of prices increases for fresh meat from deadweight prices, using government databases. Most meat sources are indicating double digit increases for abattoir (deadweight) prices.
- 11 The Council will continue to work with the current suppliers to mitigate any impacts of food inflation in the fresh meat sector. 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 meats help in maintaining this accreditation.
- 13 The Council will work with the current suppliers to reduce carbon emissions in providing this service. The current suppliers will also be requested to make an offer of social value.
- 14 Catering services are continuing to review menus, to reduce meat consumption on their menus. Standard menus offered include a non-meat day and a vegetarian day.
- 15 Spend for fresh meat continues to decline, with estimated values reduced by:- Lot 1 down by £150,000, Lot 2 and Lot 3 down by £95,000, Lot 4 no change, Lot 5 reduced by £50,000. Total reduction in spend estimated to be £295,000 based on original contract award estimates.

## What consultation and engagement has taken place?

- 16 Catering Leeds have been consulted as to their continuing requirements.

### **What are the resource implications?**

17 Leeds Catering and PACS have resources available to manage the contract extension for the supply of fresh raw meats, sausages and chilled sliced meats.

### **What are the legal implications?**

18 PACS have advised there are no legal implications to extend the contracts for the supply of fresh raw meats, sausages and chilled sliced meats, as this was stated in the original tender documents.

19 The original authority to procure was a key decision ref D47873 taken on 22.8.18, and as such the award of contract extensions is a significant operation decision and therefore not subject to call in.

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

20 i) Having a compliant contract reduces any risk of legal challenge. PACS confirm that any extension risks are minimal.

ii) Not to extend the contracts risks the council having to incur non-compliant spend with higher costs.

### **Does this proposal support the council's three Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

21 i) The existing contracts ensure catering services can continue to offer healthy meal choices to all citizens of Leeds.

ii) The council will continue to work with the existing supplier 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?**

22 A full tender exercise was considered, but given the uncertainty in the markets, and benchmarking confirming good prices, it was felt to be a significant risk, that both significantly higher prices, or no additional bids might be forthcoming

#### **How will success be measured?**

23 Success will be measured by continuing with compliant contracts that meet the requirements of the council for the supply of fresh raw meats, sausages and chilled sliced meats, whilst offering excellent value for money.

#### **What is the timetable for implementation?**

24 The contract extensions need to be in place for 18 July 2022.

### **Appendices**

25 Appendix A Benchmarking - Confidential

### **Background papers**

