

Recommendation to award a new contract for the supply of fresh fruit and vegetables

Date: 23 June 2022

Report of: Head of Catering and Fleet Services

Report to: Chief Officer Civic Enterprise Leeds

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

- Awarding a new contract for the supply of fresh fruit and vegetables will provide nutritional benefits to citizens of Leeds, through the provision of school meals and meal services to adult social care unit
- Having a compliant contract demonstrates the market has been tested and the new contract offers very good value for money
- The council will utilise local and seasonal produce where possible.
- This contract will support front line council in delivering their catering services.

Recommendations

The Chief Officer Civic Enterprise Leeds is recommended to award a new contract for the supply of fresh fruit and vegetables to GT Produce Ltd. The new contract is due to commence on 1 September 2022 for a period of 3 years, with the option of 2 x 12 month extensions. The estimated annual value is £1,100,000 (total value £5.5million including extensions)

Why is the proposal being put forward?

- 1 The current framework DN334473 for the supply of fresh fruit and vegetables is due to end on 31 August 2022, with no further option to extend.
- 2 Catering Services, with guidance from Procurement and Commercial Services (PACS), advertised a tender opportunity through the Yortender portal
- 3 Only one supplier submitted a tender bid, GT Produce Ltd.
- 4 The tender bid was evaluated as normal and GT Produce Ltd secured a high enough quality score to have their tender pricing analysed.
- 5 The three reports attached are deemed confidential under Access to Information Procedure Rule number: 10.4(3)

What impact will this proposal have?

Wards affected:

Have ward members been consulted?

Yes

No

- 6 Appendix 1 – Confidential Fruit and Vegetable Evaluation Matrix¹ summarises the evaluation of the tender bid for GT Produce Ltd. The Evaluation Matrix summarises the evaluation of the tender process and is completed by PACS.
- 7 Fresh fruit and vegetables continue to be an essential element of a healthy provision of foods across the City of Leeds,
- 8 Based on the previous contract prices, the new contract is expected to deliver savings against the current contract prices. Pricing will be monitored closely through the term of the contract, as fresh produce can be affected by seasonal variations.
- 9 Initial calculation suggest savings may be in excess £100,000 in the first year. Though this will be dependant on seasonal pricing and purchases to meet menu choices.
- 10 Summary of the pricing evaluation is shown in Appendix 2 - Confidential Pricing Evaluation Summary. It is important that due to seasonal variations in pricing the estimated savings have been reduced to a more conservative figure.
- 11 Catering Leeds have the Soil Association “Food for Life – Bronze” accreditation for the school meals service, which requires the provision of fresh fruit and vegetables
- 12 GT Produce Ltd, passed the requirements and have offered options within the Social Value Portal
- 13 As only one bidder submitted a tender bid, it was felt good practise to do an additional benchmarking against a national wholesaler. Appendix 3 demonstrates that the value submitted is giving good value for money.
- 14 Catering Leeds will continue to work with GT Produce Ltd to provide innovation fresh food solutions, including locally sourced produce where available.

What consultation and engagement has taken place?

- 15 Consultation took place with key stakeholders including Catering Leeds. Parks and Countryside were asked to join the tender process but declined stating lack of resources.
- 16 SEAQ team were consulted with a view to reducing the environmental impact of the contract. The Council have stated a 50% reduction by 2030, in the carbon footprint of school meals from a 2018/19 baseline. Product purchases will be closely monitored to ensure this is achieved. No

air freight produce is allowed to be supplied in this contract. Catering services menu planning teams will work closely with GT Produce with a greater emphasis on local and seasonal produce to reduce carbon footprints.

What are the resource implications?

17 Catering services and PACS have resources available to implement and manage the new contract for the supply of fresh fruit and vegetables.

What are the legal implications?

18 PACS have advised there are no legal implications in awarding the new contract for the supply of fresh fruit and vegetables.

19 The tender process has led to the point of awarding a compliant contract.

20 This is a significant operational decision as a consequence of a key decision ref D54674 taken on 07/12/2021. It is therefore not subject to call-in.

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

21 i) PACS have provided guidance to ensure any risk in awarding a new compliant contract has been reduced.

ii) Not to award this contract risks the council having to incur non-compliant spend with potentially higher costs.

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

Inclusive Growth

Health and Wellbeing

Climate Emergency

22 i) The new contract will ensure catering services across the city can continue to receive a supply of fresh fruit and vegetables to meet their client needs.

ii) The council will continue to work with GT Produce Ltd to supply as much locally sourced fresh produce as possible, to reduce food miles and improve the carbon footprint of the Council's catering provision across the city.

iii) GT Produce use a number of fully electric vehicles in making deliveries and will look to expand this electric fleet if economically viable to do so.

Options, timescales and measuring success

What other options were considered?

23 Existing frameworks do exist, but as suppliers pay a percentage of sales to the framework provider, tendering directly to the market was considered advantageous in receiving lower prices.

How will success be measured?

24 Success will be measured by awarding a compliant contract/framework that meets the requirements of catering services across the city for the supply of fresh fruit and vegetables, whilst offering excellent value for money.

25 Continuing supplier reviews will ensure the new contract is a success.

What is the timetable for implementation?

26 The new contract needs to be in place for 1 September 2022.

Appendices

27 Appendix 1 – Confidential Fruit and Vegetable Evaluation Matrix1

28 Appendix 2 – Confidential Pricing Evaluation Summary

29 Appendix 3 – Confidential Benchmarking of New Pricing against a National Wholesaler

Background papers

None