

Authority to Procure a new contract/framework for the supply of frozen foods

Date: 15/09/2022

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 frozen foods is required to meet the requirements for 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 frozen foods helps ensure healthy options are available to service users
- This contract/framework 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 frozen foods. The new contract is due to commence on 1 April 2023 for a period of 3 years, with 2 x 12 month extensions.

Why is the proposal being put forward?

- 1 The current framework DN374816 supply of frozen foods is due to end on 31 March 2023, with no option to extend.
- 2 The current contract was for a three year period, from 1 April 2018 to 31 March 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/framework to ensure they can continue to provide frozen foods 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/framework 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 frozen foods.
- 6 Having a compliant contract/framework in place will ensure the council can continue to access quality frozen foods 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 maintain costs in this area. Frozen foods help provide seasonal options all year round, therefore helping to reduce prices for products when not in season. E.g. peas, strawberries which would otherwise be limited as menu choices due to availability and seasonal pricing.
- 9 Discussions have taken place with colleagues in PACS to review the specification in the following areas; promote electric vehicles for delivery, 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 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 suitable alternatives, and amending menus to utilise products 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. Frozen foods can help in maintaining this accreditation.

What consultation and engagement has taken place?

- 13 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?

- 14 Leeds Catering and PACS have resources available to procure a new contract for the supply of frozen foods.

What are the legal implications?

- 15 PACS have advised there are no legal implications to procure a new contract for the supply of frozen foods.

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

- 16 i) A key risk is to ensure that a compliant contract is successfully procured. PACS will guide catering services to ensure risks are minimised in this procurement.
- ii) Not to procure a contract risks the council having to incur non-compliant spend with higher costs. PACS and catering services will ensure a compliant contract is in place by 1 April 2023

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 17 i) The new contract 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?

- 18 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?

- 19 Success will be measured by procuring a compliant contract/framework that meet the requirements of the council for the supply of frozen foods, whilst offering good value for money.

What is the timetable for implementation?

- 20 The new contract needs to be in place for 1 April 2023.

Appendices

21 Appendix A – EDCI Screening Form

22 Appendix B – DPIA Frozen Foods

Background papers

23 None