

## Authority to award contracts for supply of groceries

Date: 03 March 2023

Report of: Deputy CO CEL & Head of Catering & Fleet

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

### Brief summary

- This report requests the award of new contracts for the supply of groceries from 3<sup>rd</sup> April 2023
- Awarding these contracts will allow the continuation of the provision of school meals and meal services to adult social care unit, and commercial income generating sites
- The contracts have been tendered by using the YorTender portal by accessing YPO (Yorkshire Purchasing Organisation) framework – Food Deal Dynamic Purchasing System (DPS) – Category 1, Groceries - 985.
- Tender submissions were evaluated using the price quality separator.
- Appendices are deemed to be confidential under Access to Information Procedure Rule number: 10.4(3)

### Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to award new contracts from 3 April 2023 for a period of 16 months with the option of 1 x 12 month extension for the following :-

Lot 1 – Dairy and Non-dairy, to AF Blakemore & Son t/a Blakemore Foodservice for an estimated annual value of £498,000. Total value including extension £1,161,000.

LOT 2 – Dry Goods to AF Blakemore & Son t/a Blakemore Foodservice for an estimated annual value of £572,000. Total value including extension £1,334,000

Lot 3 – Tinned Goods to JJ Food Service Ltd for an estimated annual value of £274,000. Total value including extension £638,000

Total annual estimated value £1,342,000 including extension £3,313,000

## **What is this report about?**

- 1 The current contract for the supply of groceries expires on 31 March 2023 with no option to extend. The current supplier, YPO are withdrawing from the direct delivery of foods to establishments
- 2 The council have identified YPO framework - Food Deal Dynamic Purchasing System (DPS) – Category 1, Groceries – 985, as being an appropriate way of securing compliant contracts.
- 3 The council published the tender opportunities on the YorTender portal on 25 January 2023, by accessing YPO framework - Food Deal Dynamic Purchasing System (DPS) – Category 1, Groceries – 985.
- 4 The tender closed on 22 February 2023. The supply of groceries was split into three lots, as detailed below.
- 5 For clarification Lot 1 – Dairy and Non-Dairy, the Non-Dairy refers to items which are manufactured to be similar to their dairy equivalent, such as vegan cheese, which is manufactured to be similar to the dairy product, but uses vegetable oils rather than milk.
- 6 The Council have tendered to those organisations on the DPS via on the YorTender portal and following evaluation, have identified the following companies as the preferred bidders.  
To award a contract for Lot 1, Dairy and Non-Dairy, to AF Blakemore & Son t/a Blakemore Foodservice  
To award a contract for Lot 2, for Dry Goods, to AF Blakemore & Son t/a Blakemore Foodservice Ltd  
To award a contract for Lot 3, for tinned goods to JJ Food Service Ltd
- 7 The method used was price quality separator where all suppliers have their submissions evaluated. All suppliers that pass the quality evaluation, will have their pricing analysed, with the lowest priced bidders, for each lot, then becoming the preferred bidder  
There were 2 tender submissions in total, AF Blakemore & Son t/a Blakemore Foodservice and JJ Food Service Ltd
- 8 Both Suppliers passed the quality evaluation and had their pricing analysed.
- 9 Both Suppliers submitted pricing for all lots
- 10 The priced baskets were then evaluated and based on the price of their submissions the following are the preferred bidders.
- 11 For Lot 1 and Lot 2 AF Blakemore & Son t/a Blakemore Foodservice offered the lowest priced bids. For Lot 3 JJ Food Service Ltd offered the lowest priced bid
- 12 Details of the evaluation are contained in Appendix A for Lot 1, Appendix B for Lot 2, and Appendix C for Lot 3
- 13 All appendices are deemed to be confidential under Access to Information Procedure Rule number: 10.4(3)

## **What impact will this proposal have?**

- 14 Approving the award of these new contracts will ensure the council will continue to have access to a supply of groceries.
- 15 Having compliant contracts in place will ensure the council can continue to access groceries for the council to meet their front-line service requirements. This includes the provision of school meals, including free school meals

- 16 The pricing has been analysed against YPO, and overall show a potential increase of 2.6%. Given current food inflation this is deemed acceptable.
- 17 The winning bidders have both submitted social value offers.

### **How does this proposal impact the three pillars of the Best City Ambition?**

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 18 The new contracts 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 contracts. This will, where possible, using greener vehicle, sourcing products closer to Leeds and making fewer deliveries.
- iii) having new energy efficient equipment will reduce the impact on the environment by reducing greenhouse emissions.
- 19 The Council will work with the successful bidder to mitigate any impacts of future inflation in this sector. The council will work with the successful bidder to look for further efficiencies, including further reductions in carbon emissions in supplying groceries

### **What consultation and engagement has taken place?**

Wards affected:

Have ward members been consulted?       Yes       No

- 20 Catering Leeds have been consulted as to their continuing requirements.
- 21 PACS were consulted regarding the tender process to ensure compliant contracts can be awarded.
- 22 Weekly Assurance Meeting colleagues have been consulted for the approval of this report.

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

- 23 There are no additional resource requirements once the new contracts are awarded for the supply of catering equipment.

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

- 24 i) A key risk was to ensure that compliant contracts are successfully procured. PACS have guided catering services to ensure risks are minimised during this procurement.
- ii) Not to award the contracts risks the council having to incur non-compliant spend with higher costs.

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

- 25 PACS have advised there are no legal implications in awarding these new contracts for the supply of groceries.

26 This is a significant operational decision as a direct result of a key decision ref D55860 “To Seek Authority to Procure a Contract for the Supply of Groceries and Provisions” and therefore not subject to call in

## **Options, timescales and measuring success**

### **What other options were considered?**

27 Once the authority to procure was approved, it was determined that accessing YPO framework - Food Deal Dynamic Purchasing System (DPS) – Category 1, Groceries – 985 was the best method for obtaining compliant contracts.

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

28 Success will be measured by awarding compliant contracts that meet the requirements of the council for the supply of groceries.

29 The council will work with the new suppliers to keep future costs to a minimum

### **What is the timetable and who will be responsible for implementation?**

30 The new contracts need to be awarded by 3 April 2023

## **Appendices**

- Appendix A – Tender Evaluation Matrix – Lot 1 – (Confidential)
- Appendix B – Tender Evaluation Matrix – Lot 2 – (Confidential)
- Appendix C – Tender Evaluation Matrix – Lot 3 – (Confidential)

## **Background papers**

- Key Decision [Delegated decision notification form \(leeds.gov.uk\)](https://leeds.gov.uk)