

Supply of fully managed and serviced vending machines

Date: 29/03/23

Report of: Project Officer

Report to: Chief Officer Operations & Active Leeds

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The supply of vending machine contract, for the council expires on 31st July 2023. A new contract is therefore required to ensure the continuation of this service to the public.

Vending machines have been criticised for providing convenient access to food and drinks that are high in saturated fat, sugar and salt. Local Authorities can have a significant role to play in improving the food offered to staff and visitors. Action to increase the volume of healthier food and drinks available in vending machines provides a significant opportunity to encourage consumption of healthier options. Leeds City Council is working on the adoption of a Healthy Weight Declaration (HWD) which seeks to demonstrate commitment and responsibility to develop and implement policies which promote healthy weight

The tender will be split into 3 lots: Hot drinks, Cold drinks, Snacks

Both the cold drinks and snacks lots will incorporate sports nutrition products within the range.

The income contract value is estimated at £65k per annum. The contract start date will be 01/08/23 and will run for 3 years + 1 year extension.

Total estimated contract value is £260k. This is a significant operational decision.

Recommendations

- a) The Chief Officer Operations & Active Leeds is recommended to authorise a new procurement exercise for the supply of fully managed vending machines.
- b) The Chief Officer Operations & Active Leeds is recommended to approve the tender evaluation utilising a 'price –quality separated' approach.

What is this report about?

- 1 Approval to procure a new contract for the supply of fully managed and serviced vending across Active Leeds centres and LCC sites.

What impact will this proposal have?

- 2 This will approve the procurement of a new vending contract for LCC.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 3 LCC can enable healthier choices across sites through vending services.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 4 It is not considered that the content of this report or the recommendation made will have a significant impact on any particular ward or community and as such no consultation has taken place.
- 5 The procurement unit has been consulted on the process and support option 3 - fully managed vending services. This will ensure all tender related processes and procedures comply with the legislation.
- 6 Public Health England have also been consulted and Leeds city councils vending trial findings will be incorporated within the tender documents.

What are the resource implications?

- 7 This will be a fully managed contract with the suppliers responsible for maintaining the machines and the stock.

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

- 8 There is a risk that if the vending contract is not retendered then LCC will lose income and not be able to provide a vending service to our valued customers.

What are the legal implications?

- 9 The Chief Officer, Culture and Sport is authorized to make this decision to commence the procurement process.
- 10 Advice regarding the procurement exercise, including terms and conditions of the contract will be obtained by the procurement team to ensure council governance is met.

11 The estimated income contract value is £260k. This is a Significant operational decision and not subject to call in.

Options, timescales and measuring success

What other options were considered?

12 Option 1 is to cease the contract. This would both lose an income stream for the council and a service for its customers.

13 Option 2 is to buy "off contract" which is against the contracts procedure rules and would not generate a best value discount from suppliers.

14 Option 3 is to retender the contract for supply of vending machines. These vending machines will be fully managed, serviced and stocked by suppliers.

Option 3 is the preferred option as this allows LCC to compare companies and costs as well as service to the Council in a transparent, fair and open manner. As such, the contract for the supply of Vending machines will be procured in line with the LCC policies and procedures.

How will success be measured?

15 KPI's will include updated planograms which adhere to the specification including sport nutrition product ranges along with increased income from sales.

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

16 The supplier will be responsible installation and maintenance of equipment. There is a 30 day mobilisation period within the contract for supplier change over if required.

Appendices

- None.

Background papers

- None.