

Authority to award contracts for the supply of fresh meats

Date: 15 May 2023

Report of: Deputy Chief Officer, 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

Brief summary

- This report requests the award of new contracts for the supply of fresh raw meats and cooked chilled meats from 1 August 2023.
- Awarding these contracts will allow the continuation of the provision of school meals and meal services to adult social care units and commercial income generating sites.
- The contract has been tendered by using the YORtender portal.
- 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 for fresh raw meats and cooked chilled meats from 1 August 2023 for a period of 2 years with the option of 2 x 12-month extension for the following:

Lot 1 JW Young (Butcher) Ltd for an estimated value of £404,724.53 per annum, £1,618,898.12 including extensions,

Lot 2 JW Young (Butcher) Ltd for an estimated value of £95,343.76 per annum, £381,375.04 including extensions,

Lot 3 J&S Foods Ltd for an estimated value of £26,899.50 per annum, £107,598.00 including extensions,

Lot 4 JW Young (Butcher) Ltd for an estimated annual value of £147,588.20 Total value including extension £590,352.80,

Combined totals annual value £674,555.46. Total values including extensions £2,698,221.84

What is this report about?

- 1 The current contract for the supply of fresh raw meats and cooked chilled meats expires on 18 July 2023 with no option to extend. Due to the imminent commencement of the school holidays, it was felt the commencement date could slip until the beginning of August.
- 2 Any deliveries made under the old contract, until the beginning of August, will be covered by a compliantly raised purchase order.
- 3 The council published the tender opportunities on the Contracts Finder and the YORtender portal on 31 March 2023. The tender was also advertised on Find a Tender.
- 4 The tender closed on 5 May 2023. The supply of fresh raw meats and cooked chilled meats was advertised as in 4 lots as detailed below:
Lot 1 Fresh Raw Meat - Contract Catering
Lot 2 Fresh Raw Halal Meat
Lot 3 Fresh Cooked Chilled Sliced Meats
Lot 4 Fresh Meats - Commercial Catering
- 5 The method used was the price quality separator approach, where bidders first have their quality submissions evaluated. All bidders passing the quality evaluation, then have their pricing analysed, with the lowest priced bidder then becoming the preferred bidder.
- 6 There were 3 tender submissions in total, DB Foods Ltd, J&S Foods Ltd and JW Young (Butcher) Ltd.
- 7 DB Foods Ltd submitted a bid, but did not include any documents, therefore their bid is deemed non-compliant.
- 8 JW Young (Butcher) Ltd bid for all 4 lots. J&S Foods Limited only bid for Lot 3.
- 9 Both J&S Foods Ltd and JW Young (Butcher) Ltd bidders passed the quality evaluation and had their pricing analysed.
- 10 For Lots 1, 2 and 4 JW Young (Butcher) Ltd were the only bidder and become the preferred bidder.
- 11 For Lot 3, J & S Foods offered the best price and become the preferred bidder.

What impact will this proposal have?

- 12 Approving the award of these new contracts will ensure the council will continue to have access to a supply of fresh raw meats and cooked chilled meats.
- 13 Having compliant contracts in place will ensure the council can continue to access fresh raw meats and cooked chilled meats to meet the councils front-line service requirements. This includes the provision of school meals, including free school meals.
- 14 The pricing has been analysed against current contract pricing and shows a potential increase of 7.8% against current prices.
- 15 Prices have increased across the meat market and deadweight prices for the year to end of April 2023 are as follows, Cattle up 11.1%, Lamb up 8.1%, Chicken (whole) up 27% and Pork up 26%.
- 16 Given current food inflation these increases are deemed to be acceptable. Some price increase will be mitigated by increasing the amount of vegetable protein used in dishes.
- 17 The winning bidders 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 i) 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 bidders to reduce environmental impact of the contracts. This will, where possible, include using greener vehicles, sourcing products closer to Leeds and making fewer deliveries.

19 The Council will work with the successful bidders to mitigate any impacts of future inflation in this sector. The council will work with the successful bidders to look for further efficiencies, including further reductions in carbon emissions in supplying fresh and chilled meats.

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 Procurement and Commercial Services (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 fresh raw meats and cooked chilled meats.

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

24 i) A key risk was to ensure that a compliant contract is successfully procured. PACS have guided Catering Services to ensure risks are minimised during this procurement.

ii) Not to award the contract risks the council having to incur non-compliant spend with potentially 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 fresh raw meats and cooked chilled meats.

26 This is the follow on from the Key decision to procure fresh raw meats and cooked chilled meats contracts (D55859) and, as such, is a significant operating decision and 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 tendering via the YORtender portal was the best method for obtaining compliant contracts.

How will success be measured?

28 Success will be measured by awarding compliant contract that meet the requirements of the council for the supply of fresh raw meats and cooked chilled meats.

29 The council will work with the supplier 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 1 August 2023

Appendices

- Appendix A – Tender Evaluation Matrix – Lot 1 - Fresh Meats – (Confidential)
- Appendix B – Tender Evaluation Matrix – Lot 2 - Fresh Meats – (Confidential)
- Appendix C – Tender Evaluation Matrix – Lot 3 - Fresh Meats – (Confidential)
- Appendix D – Tender Evaluation Matrix – Lot 4 - Fresh Meats – (Confidential)

Background papers

- None