

Authority to Procure a Framework Contract for the Supply of Coffee Shop and Café Solutions

Date: 30th August 2023

Report of: Chief Officer Climate Energy and Greenspaces

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- The Greenspaces service require a supply of beverage supplies and products that can be used within the commercial outlets that are operated by the service.
- To enable the needs of the service to be met a framework contract will be procured, which will comprise of a number of individual Lots with these including the supply of coffee machines, machine servicing, coffee, tea and other sundries. Tenderers will be able to bid for one or any number of Lots, with one Contractor being appointed to each.
- The contract being procured will also allow other council service areas to access it in order to support their service, such as the cafes in museums and galleries.

Recommendations

- a) The Director of Communities, Housing and Environment is recommended to give authority to procure a new framework contract for the supply of coffee shop and café solutions. The new contract will be for an initial period of 3 years with the option to extend for a further 1 x 12-month period, with the estimated annual value of the contract potential being c.£235k – (c.£940k over the full term of the contract including extensions).

What is this report about?

- 1 The council's Greenspaces service operates a number of commercial outlets across the estate with these being the cafes in parks and the Arium. To ensure the effective operation of these outlets there is a need for the provision of coffee machines, coffee, and other café sundries to all Greenspaces commercial outlets to cater for range of beverages that are offered to customers at each outlet.
- 2 In addition, other services within the council also operate commercial outlets such as cafes in museums and galleries, leisure centres, events and venues and Civic Flavour, may also use the contract.
- 3 This report sets out the requirement to undertake a competitive procurement exercise for a coffee shop and café solutions framework contract and seeks the necessary authority to procure in accordance with the council's CPRs.

What impact will this proposal have?

- 4 The proposal will result in a framework contract being procured that will be comprised of a number of Lots, with tenderers allowed to bid for one or any combination of Lots.
- 5 The Lots within the contract will support the needs of the various council outlets across the city, with the individual Lots expected to be:
 - Lot 1 – Sale of coffee machines, including maintenance, call outs, fitting, testing & machine training;
 - Lot 2 – Lease, supply of coffee and free on loan equipment
 - Lot 3 – Service only for pre-existing equipment (maintenance for all types of existing machines)
 - Lot 4 – Supply of coffee for machines
 - Lot 5 – Supply of ingredients (including instant coffee, hot chocolate, tea bags, sugar etc)
 - Lot 6 – Supply of Fairtrade ingredients (including instant coffee, hot chocolate, tea bags, sugar)
- 6 The framework contract being procured will be for an initial period of 3 years with the option to extend for a further 1 x 12-month period.
- 7 The estimated annual value of the framework contract could be c.£235k. This value is based upon a worst-case scenario that the current number of coffee machines used by services, each need replacing within the same year. This is considered unlikely as machines last 3-5 years, so as such the annual contract value is anticipated to be significantly lower.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 8 The contract to be procured will include social value requirements that will include a number of specific TOMs (Themes, Outputs and Measures) against which potential suppliers are required to bid back in terms of how the associated social value objectives will be met. The TOMs will cover a range of potential areas such as local employment, training, educational support, environmental initiatives that will contribute towards inclusive growth.
- 9 The council will work with the supplier to reduce the environmental impact of the contract, which could include requiring deliveries to be carried out using electric vehicles, sourcing food produce close to Leeds, co-ordinating deliveries across the city to reduce mileage, and reducing packing waste.

- 10 The contract will include requirements around the ethical sourcing of products. For example, there will be requirements around Fairtrade, Rainforest Alliance, and organic coffees and other ingredients, which will provide the council with the ability to have a positive impact on the sourcing of some ingredients used within its commercial outlets.

What consultation and engagement has taken place?

Wards affected: None

Have ward members been consulted? Yes No

- 11 Cllr Rafique (Executive Member for Climate, Energy, Environment and Greenspace) has been briefed.
- 12 PACS have and will continue to be consulted with throughout the procurement process.
- 13 Other council services (museums and galleries, leisure centres, events and venues and Civic Flavour) have all been consulted with regarding their potential use of the contract.

What are the resource implications?

- 14 There are no financial implications associated with the decision to authorise a procurement. Full details regarding the financial implications of the contract will be reported in a subsequent authority to award report.
- 15 The procurement will result in a framework contract comprised of separate Lots. One contractor will be appointed to each Lot for the period of the framework contract, meaning that a number of contractors could be appointed to the framework.
- 16 The procurement will be led by Greenspaces with input from other council service areas.

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

- 17 Ensuring the council's procurement documents are appropriately scoped will reduce the risk of an ineffective contract being procured and reduce the risk of any procurement details. Consulting with PACS and other council services who may access the contract for the own need will ensure the contract is clear.

What are the legal implications?

- 18 The procurement will be undertaken in accordance with the council's Contract Procedure Rules and the Public Contract Regulations 2015. Procurement and Commercial Services (PACS) will provide support to ensure compliance is adhered to.
- 19 Due to the value of the contract, the Authority to Procure a contract is a Key Decision and as such is subject to call in.

Options, timescales and measuring success

What other options were considered?

- 20 The Council do not have any contracts of a similar nature that can be used and as such there is a need to undertake a procurement to ensure there is provision.
- 21 Not procuring a contract would result in non-compliant spend and as such this option is not considered appropriate.

How will success be measured?

22 Success will be measured by procuring a contract that meets the needs of the service whilst offering value for money.

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

23 The new contract needs to be in place as soon as reasonably practicable, and it is envisaged a new contract will be in place in December 2023.

24 The Head of Commercial and Estates will be responsible for implementation.

Appendices

- Appendix 1 – EDCI Screening Form

Background papers

- None