

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE
- 16 September 2015

Subject:	Key Decision - Supply of Fruit/Vegetable and Meat Contracts for School, Commercial and Care Home Catering.		
Corporate Director(s)/ Director(s):	Andrew Vaughan, Strategic Director for Commercial and Neighbourhood Services.		
Portfolio Holder(s):	Portfolio Holder for Community Services.		
Report author and contact details:	Jacquie Blake, Catering Operations Manager, Trading Operations Email: jacquie.blake@nottinghamcity.gov.uk Phone: 0115 8761740		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in <input type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: Up to £2.97 million 1. c.£0.65 million for the Fruit and Vegetable contract (the duration of the 3 year contract from 1 January 2016). 2. c.£1.4 million for the Meat Contract (the duration of the 3 year contract from 1 January 2016). 3. c£52.5 thousand for the extension of the existing Fruit and Vegetable contract from 1 st October 2015 to 31 st December 2015 4. c £113 thousand for the extension of the existing Fruit and Vegetable contract from 1 st October 2015 to 31 st December 2015 5. If the contracts referred to in points 1 & 2 are extended for a further year the value will be c£750,000			
Wards affected: All	Date of consultation with Portfolio Holder(s):		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users): The procurement process of both Fruit and Vegetables and Meat are organised into smaller lots, to enable local suppliers and small businesses to consider and potentially submit tenders, subject to their relative size and capabilities. Tender weighting will focus on quality and value for money with additional consideration to the balance of equality in supply from potential contractors. This also ensures the best quality produce at the most competitive price to support the delivery of the Silver Food for Life Award Standard.			

Exempt information: State 'None' or complete the following.	
None.	
Recommendation(s):	
1	To approve expenditure of £1.98 million for the supply of Fruit/Vegetable and Meat Contracts for School, Commercial and Care Home Catering for 3 years from 1 January 2016, with an option to extend for a further 1 years, at a cost of £0.75 million;
2	To delegate authority to the Strategic Director of Commercial and Neighbourhood Services to select and award the contracts (to include an option to extend for one year as appropriate) to the most economically advantageous tender.
3	To approve extending the current fruit and vegetable and meat contracts arrangement from 1 October 2015 to 31 December 2015 at a cost of c £165,000
4	

1 REASONS FOR RECOMMENDATIONS

The supply of Fruit, Vegetables and Meat is fundamental to the delivery of catering services to Schools, Homes and Commercial establishments.

The current Fruit and Vegetables and Meat contracts expire on 1st October 15, these need to be extended until 31st December 2015 whilst the main framework contracts are procured. It is intended that these procurements be completed 2nd January 2016.

The estimated value of the extension is based upon current annual spend on Fruit and Vegetables of £210,000 and on Meat of £450,000

If these contracts are not extended with the current suppliers for this short period of time, it is considered that there is a significant danger that there will be an interruption in the supply of essential sustenance to the educational establishments and the care homes.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

The current contracts will expire on 1st October 2015 and the supply of fruit/veg and meats are core to the delivery of the catering service in schools, care homes and other catering facilities. All surveys returned confirm that quality and where possible local sourcing are important to our customers.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Do nothing. In relation to the main agreements the values take them over the Public Contract Regulations thresholds and they must be procure by a statutory tend process. Therefore this is not an option.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

The expenditure to which this contract relates is included within existing budgets within catering services.

Catering services have a Medium Term Financial Plan savings target of £0.288m for 2015/16, Any savings made as a result of this procurement activity will contribute towards the achievement of this target. In the event of any cost increases arising from this procurement activity these will be reflected in the charges made to customers for meals.

Until the procurement is completed it is not possible to quantify the level of savings or additional costs that may result, however based on previous tendering activity recently undertaken it is anticipated that there will be an overall cost saving to the Council for the items to be tendered.

The undertaking of a competitive procurement process will result in the Council obtaining value for money for these items.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

It is not considered that these procurements give rise to significant legal concerns. The main contracts are to be procured by public tender. As regards the contract extensions they are less than the amount allowable under the Regulation as modifications of contract.

As regards standing orders the extension will ensure continuity of supply of this essential service.

The Procurement Team will ensure that a fully compliant and value for money framework agreement is entered into.

6 SOCIAL VALUE CONSIDERATIONS

The spend has been broken down into smaller lots in order to make the framework agreement more attractive to local suppliers and keep the money spent in the city if possible and we have held a 'meet the buyer' event where a number of local suppliers attended to discuss ours and their requirements.⁷ **REGARD TO THE NHS CONSTITUTION**

By ensuring the quality of the produce procured through this retendering process, the meals produced will be of a high standard, thus ensuring the health of those citizens served is maintained to expected levels.

8 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

None

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Lee Kimberley, Head of Trading Operations

Brian Stewart, Legal Team Paul Ritchie, Procurement Category Manager