

## Commissioning and Procurement Executive Committee – 12 July 2022

<b>Subject:</b>	Supply and delivery of frozen food, grocery and fresh meat		
<b>Corporate Director:</b>	Frank Jordan - Resident Services		
<b>Portfolio Holder:</b>	Cheryl Barnard - Children, Young People and Schools		
<b>Report author and contact details:</b>	Thomas Ali, Food Development Officer <a href="mailto:Thomas.Ali@Nottinghamcity.gov.uk">Thomas.Ali@Nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>			
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 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
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Total value of the decision:</b>	£6,000,000		
<b>Wards affected:</b>	All Wards		
<b>Date of consultation with Portfolio Holder:</b>	14 June 2022		
<b>Relevant Council Plan Key Outcome:</b>			
Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Healthy and Inclusive	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Financial Stability	<input type="checkbox"/>		
Serving People Well	<input type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>We have 73 sites split between schools, catering outlets and care homes which all require frozen food or grocery products. The previous contract has been running for 4 years. This applies to schools, catering outlets and care homes, covering all wards in city.</p> <p>Also the contract to cover fresh meat supply to all sites. This expires in January 2023 having previously been running for 3 years.</p>			
<b>Exempt information:</b>	None.		
<b>Recommendations:</b>			
<b>1</b>	To approve the undertaking of a full tender to procure a contract for the supply of frozen food and groceries for up to a 4-year period (2+1+1 years), with a maximum cost of £5,000,000.		
<b>2</b>	To approve the undertaking of a full tender to procure a contract for the supply of fresh meat for up to 4 years (2+1+1 years), with maximum cost of £1,000,000.		
<b>3</b>	To delegate authority to the Corporate Director of Resident Services to award the contracts to the successful bidders.		

## **1. Reasons for recommendations**

- 1.1 The current contract for the supply of frozen food and groceries expires on 01/11/2022 and fresh meat expires January 2023. New contracts need to be put in place and therefore a competitive tender process will ensure that both quality of product and value for money for all sites is obtained.
- 1.2 This is a contract for supplies and is subject to the Public Contracts Regulations 2015 which requires the City Council to undertake a competitive tender process to award the contract.
- 1.3 The rationale for the decision is that all this expenditure will be covered by the charges for school meals, which is either through paid meals for the Free School Meals budget or income from the Council operated catering outlets.

## **2. Background (including outcomes of consultation)**

- 2.1 Nottingham City Catering has 73 sites split between schools, catering outlets and care homes which all require frozen & grocery products. The previous contract has been running for 4 years and we will be without a contracted supplier in November 2022 unless we go back to the market to tender. We are looking to have a tender for all products to provide a cost effective, quality and stable supply chain in place to cover the next 4-year period. This also applies to the fresh meat contract which expires in January 2023 and Nottingham Catering is looking to go out to tender to cover a maximum of 4 years.
- 2.2 For fresh meat we look to use local supplies with a high quality for British only produce

## **3. Other options considered in making recommendations**

- 3.1 If we were to do nothing this would leave Nottingham City Council at risk of no longer receiving products required to produce school meals. This option has been rejected as Nottingham City Council needs a supplier to provide food to schools, catering outlets and care homes to ensure that services continue to be provided to citizens.

## **4. Consideration of Risk**

- 4.1 The risk of not having a contract in place would mean costs would not be held and prices fluctuate. The contract provides terms for suppliers to adhere to in both cost, quality and supply expectations.

## **5. Finance colleague comments (including implications and value for money/VAT)**

- 5.1 This decision seeks approval to go out to tender for both the supply of frozen grocery food provisions and for the supply of fresh meat for Nottingham Catering service, for use in schools and commercial catering sites.
- 5.2 The frozen food and groceries contract will be for 2 years with an optional 1+1-year extension. The expected spend for this decision over the four-year period is circa £5m although this could vary dependant on contract renewals.

Nottingham Catering spends approximately £1.25m per annum on frozen and grocery food provisions

- 5.3 The fresh meat contract will be for 2 years with an optional 1+1 extension. The expected spend over the 4-year period is up to £1m. Nottingham Catering spend approximately £0.250m per annum on fresh meat supplies.
- 5.4 Funding for both of these contracts are contained within existing budgets in Nottingham Catering. Satisfactory procurement of this contract, in adherence to the Council's procurement procedure, will help to ensure that Nottingham Catering is able to deliver on its MTFP position and ensure an effective and efficient supply chain.
- 5.5 The current wider economic conditions could also have a significant cost/supply implication, therefore having a strong contractual arrangement in place should help to mitigate some of these fluctuations and ensure that Nottingham Catering is able to meet its commercial obligations.
- 5.6 Both contracts will need to be reviewed after the initial 2-year period to ensure prices remain competitive and provide value for money, and that the contract is still fit for purpose for the service.

Phil Gretton, Strategic Finance Business Partner – 27/06/2022

## 6. **Legal colleague comments**

- 6.1 The Council is given the power to provide catering services under a variety of legislation, including the Education Act 1996 for school catering, Civic Restaurants Act 1947 for its own catering outlets, and the Local Authorities (Goods and Services) Act 1970 where working with other public bodies.
- 6.2 This report is requesting authority to conduct a tender process to appoint a contractor for (1) the supply of frozen and grocery foods; and (2) the supply of fresh meat following the expiry of the current contracts. There are no legal concerns arising from this recommendation subject to compliance at all times with the Council's Contract Procedure Rules and Public Contracts Regulations 2015.

Naomi Vass – Team Leader, Contracts and Commercial Team 29/6/22

## 7. **Other relevant comments**

### 7.1 **Procurement comments**

- 7.2 Procurement will support in sourcing both the Supply of Fresh Meat and Frozen and Grocery Food Provisions replacement contracts by utilising the open procedure. Due to the value, this contract opportunity will be advertised using Contracts Finder, Find a Tender Service and on Due North.
- 7.3 The open procedure enables the wider marketplace to engage with the opportunity, encouraging competitive tension and innovative solutions, procurement will support in the development of the requirement and the assessment criteria.

Holly Fisher, Lead Procurement Officer, 23 June 2022

**8. Crime and Disorder Implications (If Applicable)**

8.1 N/A

**9. Social value considerations (If Applicable)**

9.1 Procuring best quality provisions to provide a nutritious and balanced diet to the City's schoolchildren, Residential Unit users and staff. The tender will be open to a wide range of suppliers including the local suppliers for consideration. Where possible this will allow better flexibility and the opportunity to reduce food mileage and keeping transport costs lower.

**10. Regard to the NHS Constitution (If Applicable)**

10.1 Not applicable

**11. Equality Impact Assessment (EIA)**

11.1 An EIA is not required because no Equality issue will result as part of this decision. This is a process to produce products for the service and does not involve amending any current policies

**12. Data Protection Impact Assessment (DPIA)**

12.1 A DPIA is not required because there are no Data protection impact from this decision to tender as the data shared is based on products and prices only and not specific to individual users or sharing of protected data.

**13. Carbon Impact Assessment (CIA)**

13.1 A CIA is not required because the tender will not alter the carbon impact for the Catering service. These products are required to run the service and transport miles have been calculated in any current assessments.

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 None.

**15. Published documents referred to in this report**

15.1 None.