

Commissioning and Procurement Executive Committee – 14 November 2023

Subject:	Supply of fresh fruit, vegetables, and dairy to catering establishments.		
Corporate Director:	Catherine Underwood - People		
Portfolio Holder:	Councillor Cheryl Barnard - Children, Young People and Schools		
Report author and contact details:	Thomas Ali, Food Development Officer Thomas.Ali@Nottinghamcity.gov.uk		
Other colleagues who have provided input:	Abi Yusuff, Interim Commercial Business Partner Amana Parveen, Solicitor Holly Fisher, Lead Procurement Officer		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<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
Type of expenditure:	<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> Capital	
Total value of the decision: £3,060,000			
Wards affected: All			
Date of consultation with Portfolio Holder: 19 October 2023			
Relevant Council Plan Key Outcome:			
Green, 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"/>
Living Well in our Communities			<input checked="" type="checkbox"/>
Keeping Nottingham Moving			<input type="checkbox"/>
Improve the City Centre			<input type="checkbox"/>
Better Housing			<input type="checkbox"/>
Serving People Well			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
Nottingham City Council has over 70 schools, catering outlets and care homes which require fresh fruit, vegetables and dairy products. The current contract expires in January 2024 and it is essential to have a stable supply of these products in place for the future. This covers all catering sites and all wards in the city.			
Exempt information: None			
Recommendations:			
1 To approve the undertaking of full tender processes to procure up to 4-year (2+1+1) contracts for the supply of:			
(a) fresh fruit and vegetables, with a maximum cost of £1,900,000;			
(b) dairy products, with a maximum cost of £1,160,000.			
2 To delegate authority to the Corporate Director for People to award the contracts to the successful bidders.			

1. **Reasons for recommendations**

- 1.1 The current contracts for the supply of Fresh Fruit & Vegetables and also Dairy expire in the 31 January 2024. 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 There is a contract for suppliers 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 the expenditure will be covered by the charges for school meals, which is either through paid meals for the Free Schools Meals budget or income from the Council operated catering outlets.

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

- 2.1 Nottingham City Council has over 70 schools, catering outlets and care homes which all require fresh fruit, vegetables and dairy products. The current contract expires in January 2024. It is essential to have a stable supply of these products in place for the future. Nottingham City Council Catering is 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.
- 2.2 For fresh fruit and vegetables we look to use local suppliers with a focus on reduced food miles and local labour.
- 2.3 Local suppliers will be considered for the Dairy as well, however from previous tenders the location of large Dairy distribution centres are not always local. A focus on direct deliveries to reduce food miles will be a key focus.

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

- 3.1 If we do nothing this would leave Nottingham City Council at risk of no longer receiving products that are essential to produce school meals. This option has been rejected as Nottingham City Council needs suppliers to provide the food to schools, catering outlets, care homes and heritage sites, ensuring that services to citizens continue.

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 contracts provide terms for suppliers to adhere to in both cost, quality and supply expectations.

5. **Best Value Considerations**

- 5.1 Best Value is demonstrated including consideration of the following:

- DIY- Not an option as there is not a structure in place or personnel to handle the quantity of food and regulations;
- BIY- This is not an option as the list of products required is extensive and whilst many are sourced in the UK, some fruit and vegetables have to be imported to meet demand particularly when a product is out of season;

- BIWO - We have already incorporated internal departments but whilst we have scoped out working with other local authorities before, this isn't as easy to manage with many varying factors and from feedback from suppliers they find it easier to manage contracts separately to avoid several account managers;
- DIWO - This is joint across internal departments to increase spend and capture best price. Whilst many products are the same, there are specific items required for care homes;
- DIFO – do it for others- trading and income enhancement;
- REDUCE - Services are essential to the catering operations. To reduce the supply would put contracts at risk;
- STOP – this is not an option as we would not be able to fulfil our contracts.

6. Finance colleague comments (including implications and value for money/VAT)

- 6.1 This decision seeks approval to go out to tender for supply of Fresh Fruit & Vegetables with a maximum cost of £1,900,000 and for supply of Dairy products (bread, milk, cheese) with a maximum cost of £1,160,000 for up to a 4-year period. (2+1+1) for the Nottingham Catering service for use in over 70 schools, catering outlets and care homes. The contract will be for 2 years with an optional 2-year extension.
- 6.2 Nottingham City Catering currently spends approximately £280k per annum on bread and dairy products and spends approximately £470k per annum on fresh fruits and vegetables, which equates to a total annual value over 4 years of £1,120,000 and £1,880,000 respectively for each supply.
- 6.3 The value of increased costs from the new contracts will need to be reflected in charges for services to ensure no adverse financial impact on Catering services.
- 6.4 Spend on fresh fruit and vegetables and dairy products have increased significantly compared to prior years due to the recent high cost of living and inflation on goods and services. Increase in volume, number of schools, commercial sites and care homes.
- 6.5 The current contract expires in January 2024. It is essential to have a stable supply of these products in place for the future. Nottingham City Council Catering is 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.
- 6.6 Ongoing adherence to the Council's procurement procedures will ensure that value for money is achieved and Nottingham Catering is able to deliver on its MTFP position.
- 6.7 The contract will need to be reviewed after the initial 2-year period to ensure prices remain competitive and ensure continued value for money, and that the contract is still fit for purpose for the service.

Abi Yusuff, Interim Commercial Business Partner - 14/09/2023.

7. Legal colleague comments

- 7.1 This decision is seeking to approve the total expenditure of £3,060,000 to supply fresh fruit and vegetables (for the value of £1,900,000) and dairy products (for the value of £1,160,000) across Nottingham City's schools, catering outlets and care homes. The proposals in this report raise no significant legal issues and are supported. The use of funding must be in accordance with Council's Constitution and Contract Procedure Rules such as the Public Contracts Regulations 2015, which may vary depending on the value of the decision.
- 7.2 Legal services will assist as necessary with respect to contract drafting and the future procurement requirements and the sign off will be subject to a final legal review.

Amana Parveen, Solicitor – 20 September 2023

8. Other relevant comments

8.1 Procurement comments

- 8.2 The request to undertake a procurement exercise to establish a framework for the provision of Fresh Fruit, Vegetables and Dairy does not pose any procurement risk to the Council, complying with both the Public Contract Regulations 2015 and the contract procedure rules.
- 8.3 Procurement will support in sourcing both the Supply of Fresh Meat and Frozen and Grocery Food Provisions replacement contracts by utilising the open procedure.
- 8.4 Due to the value, this contract opportunity will be advertised using Contracts Finder, Find a Tender Service and on Due North.
- 8.5 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 - 31 August 2023

9. Crime and Disorder Implications (If Applicable)

- 9.1 Not applicable.

10. Social value considerations (If Applicable)

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

11. Regard to the NHS Constitution (If Applicable)

- 11.1 Not applicable.

12. Equality Impact Assessment (EIA)

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

13. Data Protection Impact Assessment (DPIA)

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

14. Carbon Impact Assessment (CIA)

14.1 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.

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

15.1 None.

16. Published documents referred to in this report

16.1 None.