

## CABINET

12 December 2017

<b>Title:</b> Contracts for the Supply and Delivery of Fresh Meat, Fruit and Vegetables to Catering Services	
<b>Report of the Cabinet Member for Social Care and Health Integration</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
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<b>Accountable Director:</b> Chris Bush – Divisional Director, Children’s Services	
<b>Accountable Strategic Director:</b> Anne Bristow, Strategic Director, Service Development and Integration	
<b>Summary:</b>  This report relates to a procurement exercise, led by the London Borough of Havering, relating to the supply and delivery of fresh meat, fruit and vegetables via call-off the London Contracts and Supplies Group (LCSG) Framework. A legally compliant procurement exercise was undertaken 18 months ago; however, the approval of the Cabinet was not sought at that time, as required under the Council’s Contract Rules. Therefore, retrospective approval is now being sought to rectify the position.  For information, William White Meats Limited was appointed by LB of Havering as supplier of fresh meat products and Prescott Thomas as supplier of fresh fruit and vegetables.	
<b>Recommendation(s)</b>  The Cabinet is recommended to:  (i) Grant retrospective approval for the procurement of contracts for the supply of fresh meat and fruit and vegetables, as set out in the report; and  (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Director of Law and Governance, to formally call-off from the LCSG Framework and enter into the signed call-off contracts.	
<b>Reason(s)</b>  To accord with the Council’s Contract Rules.	

## **1. Introduction and Background**

- 1.1. The previous LCSG Framework for the provision of both fresh meat and fruit and vegetables expired in January 2016 and was provided by Brake Bros and Prescott Thomas respectively.
- 1.2. The decision to enter into the LCSG framework was based on aggregation of spend through nine Local Authorities and would yield savings through economies of scale.
- 1.3. LB of Havering led the procurements for the LCSG's Framework Agreements for meat and for fruit and vegetables and carried out a mini competition with the Suppliers named on the Framework.
- 1.4. This report seeks retrospective approval to formally call off from each Framework and enter into signed call-off Contracts.

## **2. Proposed Procurement Strategy**

### **2.1 Outline specification of the works, goods or services being procured**

To supply and distribute Fresh meat products and fresh fruit and vegetables to all schools within LBBB.

### **2.2 Estimated Contract Value, including the value of any uplift or extension period.**

Approximate estimated value for Fresh Meat for the period of four (4) years  
£2,508,723.68.

Approximate estimated value for Fruit and Vegetables for the period of four (4) years  
£1,359,439.74.

The values are estimated as the volumes may fluctuate as the contracts will both be demand led.

### **2.3 Duration of the contract, including any options for extension**

For both call off contracts four (4) years with no extension provision.

### **2.4 Is the contract subject to the (EU) Public Contracts Regulations 2006? If Yes, and contract is for services, are they Part A or Part B Services**

Yes, each of the Contracts are subject to the EU Public Contracts Regulations 2015.

### **2.5 Recommended procurement procedure and reasons for the recommendation**

The procurement process was to call off from the London Contracts & Supplies Group (LCSG) Framework Agreement awarded by the London Borough of Havering on behalf of the LCSG. Both Frameworks were let under the OJEU open procedure.

## **2.6 The contract delivery methodology and documentation to be adopted**

Suppliers will deliver directly to the schools' kitchens and some non-school locations managed by Catering Staff. All contracts are monitored, and invoices paid by Business Support.

## **2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

The value of goods will differ due to quantities bought and may increase when new school kitchens are opened. If there is an increase in meal uptake, there is a higher intake of children into the school as well as Universal Infant Free School Meals (UiFSM).

## **2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**

Framework for Meat – evaluation was based on 100% price.

Framework for Fruit and Vegetables – evaluation was based on 100% price.

## **2.9 How the procurement will address and implement the Council's Social Value policies**

Deprivation is high with obesity levels in Barking and Dagenham being significant and complex. To maintain the current school meals will ensure our healthy meals are accessible to all children within the Borough.

Eating, by way of a healthy diet in particular a school meal, has a positive impact on educational attainment. This has been evidenced as part of the research into the work behind the Infant free school meals. Since September 2014 all children in reception Year 1 and Year 2 in state-funded schools in England get a free lunch at school resulting in over five thousand (5000) additional children eating every day.

## **3. Options Appraisal**

- 3.1 To collaborate with other Local Authorities via the LCSG in order for a basket of goods containing all the participating Authorities products and volumes to go to market to drive value for money.

## **4. Equalities and other Customer Impact**

- 4.1 The schools' meals offer takes into consideration dietary needs, including Halal provision as per cultural requirements.

## **5. Other Considerations and Implications**

### **5.1 Risk and Risk Management**

The implications of not being unable to use the aforementioned suppliers would result in over 50 of the Boroughs' kitchens unable to produce any meals for the school children who take up their school meals; schools would also be unable to meet their

statutory requirements in respect of free school meals (FSM) children.

Catering Services provide 20,000 school meals per day to sixty schools in the Borough, a total of 3.8 million meals per year. The two Contracts will ensure Catering Services continue to provide the current level of school meals.

- 5.2 **Safeguarding Children** – This will be achieved through adhering to Government nutritional standards and is linked to allergen menus for healthy eating agenda in association with Soil Association, Food for Life criteria.
- 5.3 **Health Issues** – These contracts ensure the provision of a healthy school meal offer with options and choices covering all dietary needs, which meets with LBBB Catering Services' commitment to ensure the local school population are healthy.

## **6. Consultation**

- 6.1 The arrangements to call off from the LCSG Frameworks were considered and endorsed by the Procurement Board on 15 August 2016.

## **7. Corporate Procurement**

Implications completed by: Sam Woolvett, Category Manager, Elevate

- 7.1 Havering confirmed they let compliant Frameworks for both services. As LBBB were named as a participating authority on both Frameworks they can call off from the Frameworks and enter into a contract with the Suppliers named in this report.

## **8. Financial Implications**

Implications completed by: Katherine Heffernan, Group Manager, Finance

- 8.1. This report requests retrospective approval to call off from the London Contracts & Supplies Group (LCSG) Framework for the supply of meat, fruit and vegetables from 2 suppliers. The estimated value of the contracts is estimated to be £3,868,163.42 over a period of 4 years, however this may vary depending on school uptake of the catering service.
- 8.2. The service is already informally calling off this contract. This report is requesting approval for formal call off from the framework.
- 8.3. The catering service operates as a traded service; all costs incurred are covered by income receipts from meal sales which have been budgeted with costs currently being incurred.

## **9. Legal Implications**

Implications completed by: Bimpe Onafuwa, Commercial Contracts and Procurement

- 9.1. This report is seeking retrospective approval for the procurement of the Supply of Fresh Meat, and Fruit and Vegetables to schools within the London Borough of Barking and Dagenham (LBBB).

- 9.2. Approval is also being sought, retrospectively, for the award of the Contract for the Supply of Fresh Meat to William White, and the award of the Contract for the Supply of Fruit and Vegetables to Prescott Thomas.
- 9.3. This report explains that the procurement exercise was undertaken by the London Borough of Havering by way of a call off from the LCSG Framework, on behalf of a number of London Councils. Relevant approval was however not sought from the LBBD Cabinet, prior to the commencement of this exercise.
- 9.4. The Public Contract Regulations (PCR) allows the call off of contracts from compliant frameworks. So long as LB Havering complied with the terms of the framework and the PCR in conducting the procurement of the two services, LBBD is able to engage the services of the winning contractors.
- 9.5. Clause 7.1 of the Council's Contract Rules, requires that a procuring directorate seek the approval of Cabinet prior to conducting a procurement exercise. While the procurement exercise undertaken is valid, the procuring directorate requires Cabinet approval of the exercise in order to comply with the Contract Rules. Cabinet approval will also provide the Law and Governance Team with the necessary authorisation for the execution of the contracts.

**Public Background Papers Used in the Preparation of the Report: None**

**List of appendices: None**