



## Notice of KEY Executive Decision

<b>Subject Heading:</b>	Approval to enter into Call-Off Contract from the Procurement Across London (PAL) Framework Agreement for the Supply of Fresh and Frozen Meat and Poultry.
<b>Cabinet Member:</b>	<b>Cllr R Benham</b>
<b>SLT Lead:</b>	<b><i>Robert South</i></b>
<b>Report Author and contact details:</b>	James Hughes 01708 433906 <a href="mailto:James.hughes@havering.gov.uk">James.hughes@havering.gov.uk</a>
<b>Policy context:</b>	<b>Opportunities making Havering</b> Lead by example by running a low-cost Council that respects residents by using their money wisely. We will work with others to reduce costs; we will help people to do business with us at any time of the day or night, and we will hold ourselves to the high standards residents expect from us.
<b>Financial summary:</b>	Havering's spend is anticipated to be (£400,000 per annum). Costs will be met from the revenue budgets of services utilising the contract, the bulk of which is expected to be within the Schools Catering Service.
<b>Reason decision is Key</b>	(a) Expenditure or saving (including anticipated income) of £500,000 or more
<b>Date notice given of intended decision:</b>	<b>10 July 2020</b>

**Key Executive Decision**

<b>Relevant OSC:</b>	<b>Children's Overview and Scrutiny Board</b>
<b>Is it an urgent decision?</b>	Yes, need to be place immediately after the approval of the PAL Framework Agreement for The Supply and Delivery of Fresh and Frozen Meat and Poultry. By General Exception.
<b>Is this decision exempt from being called-in?</b>	No

**The subject matter of this report deals with the following Council Objectives**

- |                               |                                     |
|-------------------------------|-------------------------------------|
| Communities making Havering   | <input type="checkbox"/>            |
| Places making Havering        | <input type="checkbox"/>            |
| Opportunities making Havering | <input checked="" type="checkbox"/> |
| Connections making Havering   | <input type="checkbox"/>            |

***Place an X in the [] as appropriate***

## **Key Executive Decision**

### **Part A – Report seeking decision**

#### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

1. This report seeks approval to award a Call-Off Contract for the Supply and Delivery of Fresh and Frozen Meat and Poultry to William White Meat Ltd for a period of up to five years at an estimated cost of £400,000 per annum.

#### **AUTHORITY UNDER WHICH DECISION IS MADE**

##### **Part 3: Responsibility for Functions**

3.3 Powers of Members of the Senior Leadership Team

##### **Contract powers**

(b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

#### **STATEMENT OF THE REASONS FOR THE DECISION**

1. This report seeks approval for the London Borough of Havering to enter into a Call-Off contract from the Procurement Across London (PAL) Framework Agreement for the Supply and Delivery of Fresh and Frozen Meat and Poultry.
2. The Call-off contract will be for a period of four years with provision for up to a one-year extension.
3. The re-commissioning will allow continuity of service to the schools meal and catering services within the London Borough of Havering. The extension will allow a safety net in case there is a delay when the Framework Agreement is re-let, to ensure that schools have a continuing supply of meat, etc.
4. The Framework Agreement within the London Borough of Havering will be used mainly by Catering Services as part of the provision of school meals and will be available, as required, across the wider Council.
5. The total value of the Call-Off contract over the four-year term is expected to be approximately £1,600,000 if the extension provision is utilised, then at present day prices the value will be circa £2 million.
6. This is a direct award to the single supplier appointed to the Procurement Across London Framework Agreement for the Supply and Delivery of Fresh and Frozen Meat and Poultry.

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7. This framework has been tendered in compliance with UK procurement legislation.
8. The Supplier appointed to the framework was assessed during the procurement process for their financial stability, track record, experience and technical and professional ability.
9. The Supplier on this Framework has been selected for their experience and ability to provide customers with a comprehensive range of products to specified quality standards and on value.
10. The Supplier is required by the Framework Agreement to have environmental considerations embedded into their policies, systems and operations. A particular emphasis is making the most effective use of available resources, conserving energy, re-using materials and minimising and recycling waste and the use of recycled materials in the manufacture of crates, pallets, boxes, cartons, cushioning and forms of packaging.
11. In addition, as many deliveries under the Framework are within the proposed wider London ULEZ area bounded by the North and South Circular, there is a requirement that all vehicles used will be compliant within one year of operation. (This means that vehicles must meet the most up-to-date vehicle emission standard: Euro VI). Havering Council, which is outside of the proposed LEZ, will benefit from this requirement.
12. The specification provides for Halal meat and so will meet the different requirements of the Catering Service and Schools within Havering Council.
13. Costs will be met from the revenue budgets of services and schools utilising the contract.
14. A 4% rebate will be paid directly to the Council based on the annual spend and paid yearly.

## **OTHER OPTIONS CONSIDERED AND REJECTED**

Other options considered:

### **Option 1 -Do nothing**

1. The current Contract is due to expire on 31st July 2020 and cannot be extended. Therefore doing nothing would result in the end of the Supply and Delivery of Fresh and Frozen Meat for the provision of school meals and Catering Services, within the London Borough of Havering. Therefore, this option was not considered further.

### **Option 2 Call -Off an established Framework Agreement**

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This option has been considered; through the Eastern Shires Purchasing Organisation (ESPO) and Yorkshire Purchasing Organisation (YPO) Framework Agreements. This would not give local Suppliers the opportunity to win the contract also the framework expires in August 2021.

**PRE-DECISION CONSULTATION**

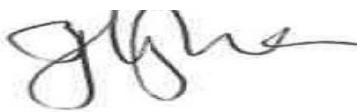
Internally consultations have been carried out with Legal Services, OneSource Finance, Strategic Procurement and Catering Services.

**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: James Hughes

Designation: Contracts Supply Manager, Learning and Achievement Service.

Signature:



Date: 7<sup>th</sup> July 2020

## Key Executive Decision

### **Part B - Assessment of implications and risks**

#### **LEGAL IMPLICATIONS AND RISKS**

- (1) This report seeks approval to award a Call-Off Contract for the Supply and Delivery of Fresh and Frozen Meat and Poultry to William White Meat Ltd for a period of four years with an option to renew for 12 months at an estimated cost of £400,000 per annum.
- (2) Service contracts over the value of £189,300 need to comply with the Public Contracts Regulations 2015 ('Regulations'). Compliance with the Regulations can be by appointing a contractor from a Framework established under section 33 of the Regulations, to undertake the work. The report states that William Meat Ltd were the single supplier from the PAL framework established by the Council.
- (3) Legal understands the Framework was set up with the assistance of OneSource Procurement in accordance with section 33 of the Regulations using the open procedure and the William White Meat was selected to be the sole supplier based on the most economically advantageous tender in accordance with the Regulations and the framework permits call off's.
- (4) Legal Services takes the view that the award to can proceed if the Council is otherwise satisfied with the content of the report.
- (5) Contracts with a total value of more than £150,000 has to be executed under seal .
- (6) The award and execution of the framework must take place before the Call Off contract is awarded.

#### **FINANCIAL IMPLICATIONS AND RISKS**

An Experian Credit check was undertaken on William White Meats Ltd to confirm financial viability and risk on 8<sup>th</sup> June 2020, and showed a risk score of 99, very low risk. Payment performance of the company has remained stable, with an adequate net worth. Further ratio analysis of company accounts for the last 3 financial years, has confirmed the company has good liquidity and that there is no concern over the ability of its liquid assets covering short term liabilities, therefore confirming financial viability.

There are therefore no immediate financial concerns regarding the award of this contract to William White Meats Ltd.

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### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

General equalities considerations are vetted through the use of the standard selection questionnaire. For example, specific standards of meat required for Muslims are catered for within the specification.

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## **Key Executive Decision**

### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

The proposed procurement will support the provision of fresh meat and poultry for school meals. This in turn, supports the healthy development of children through the provision of healthy, tasty and nutritious food.

The products are ethically sourced and either meet or exceed the minimum food standards required by Government.

The Suppliers are required to ensure that their vehicles meet the Ultra-Low Emission Standard for London, which requires that vehicles meet the most recent vehicle emission standard, Euro VI, which contributes to lowering vehicle emissions and improving the air quality around the schools to which deliveries are made.

In addition, the Supplier is based just outside the Greater London area in Purfleet, reducing the road miles for delivery.

### **BACKGROUND PAPERS**

There are no additional background papers

## **Key Executive Decision**

### **Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

#### **Decision**

Proposal agreed

*Delete as applicable*

Proposal NOT agreed because

#### **Details of decision maker**

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

#### **Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

#### **For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_