

Notice of key Executive Decision

Subject Heading:	Direct Award Pan London Framework Agreement for Frozen food and groceries
Cabinet Member:	Cllr. Robert Benham
SLT Lead:	Robert South
Report Author and contact details:	James Hughes James.hughes@havering.gov.uk 01708433906
Policy context:	Traded Services
Financial summary:	The anticipated contract value for Havering Schools Catering Service is £1,200,000 for the duration of the award and is dependent upon the take up of school meals. The funding will come from the existing Havering Schools Catering Service revenue budgets. The total value for all PAL members is £9,000,000
Relevant OSC:	Children and Learning OSC
Is this decision exempt from being called-in?	No, it is a Key decision from a member of staff.

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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

Part A – Report seeking decision

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DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To approve the collaborative procurement of frozen foods and groceries through ESPO framework number 83_17 via a direct award to Thomas Ridley and Son, Limited for 12 months. The estimated spend for Havering School meals Service will be £1,200,000

AUTHORITY UNDER WHICH DECISION IS MADE

3.3 Powers of Members of the Senior Leadership Team

Members of the Senior Leadership Team (SLT) have delegated authority to act within the assigned service service/portfolio of responsibilities, subject to the general provisions and limitations set out in section 3.1 of the Constitution.

Contract powers

(a) To award all contracts with a total contract value of between £500,000 and £5,000,000.

STATEMENT OF THE REASONS FOR THE DECISION

The Council's current agreement, jointly procured via the YPO framework will expire on 31st December 2020.

The Havering Schools Catering Service has reviewed the requirements of supply of frozen food and groceries and needs to proceed to tender for a new contract in order to ensure there will be no interruption to the supply chain to 50+ school kitchens in Havering and 400 schools kitchens across the six other collaborative partner councils come 1st January 2021 and beyond.

The Service recommends that approval should be given to proceed with A direct award tendering processes via ESPO framework number 83_17. This will result in the award of nine month contract to the incumbent supplier. The potential combined contract value is £9,000,000 per annum.

Catering and Traded Services require the incumbent supplier (Thomas Ridley and Son, Limited) to continue supplying the service due to limited timescales and the prospect of mobilising a new contract in January 2021 as Brexit begins. The service engaged with the market and reservations were expressed over timing of the commencement of the framework arrangement.

There are seven councils catering services in the collaborative group Procurement Across London (PAL) as listed below who aggregate their purchasing power in order to achieve best value and economies of scale Each participating member is

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responsible for their respective call-off agreements and will enter into separate call-off contracts:

- London Borough of Havering (Havering Schools Catering Service)
- London Borough of Barking & Dagenham,
- London Borough of Tower Hamlets,
- London Borough of Waltham Forest,
- London Borough of Enfield,
- Royal Borough of Greenwich
- Thurrock Unitary Authority.

All costs associated with the procurement process and the ongoing contract management of the supplier will be fully funded from income generated by the Service and the six other councils.

The direct award will not include any commitment from Havering Schools Catering Service or the participating Councils regarding the volume or value of orders which will be placed with the successful supplier(s).

OTHER OPTIONS CONSIDERED AND REJECTED

Extend the incumbent contract by 1 year to allow for a full tender in 2021

The current contract procured via the joint Havering and YPO framework expires on 31st December 2020. The Framework Agreement and Call Off T&Cs do not provide for any possible extension.

Not to re-tender for this requirement but purchase ad-hoc from the market

That the requirements are not re-tendered and the Havering School Meals Service purchases frozen foods and groceries on an ad-hoc basis from suppliers on the market. Given the possible cumulative value of spend over time, this option will not be compliant with the councils and EU procurement guidelines and policies. This option will add significant additional cost to the cost of sales of the Havering Schools Catering Service and undermine the financial viability of the service. Besides this option will not allow for the prerequisite due diligence on food safety which is an essential part of a full competitive process to be carried out. This will put the health and wellbeing of pupils and staff in contracted schools at risk and also pose reputational risk to the councils.

Undertake a full tender to establish a new standalone framework

This option was considered and deemed not to be feasible given the limited time scale to fully implement the procurement process in time for the kitchens to be supplied with frozen food and groceries come 1st January 2021. The consequence will be severe and result in disruption of the supply chain, school meals provision will be adversely

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affected and the revenue stream to the council will be jeopardised. It was agreed by the seven collaborative boroughs that best value would be achieved by a direct award via an existing framework. The ESPO food deal was considered as the most appropriate to support the Havering School Meals Service and other participating Councils.

PRE-DECISION CONSULTATION

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

Name: James Hughes

Designation: Interim Catering Operations Manager

Signature:



Date: 18th September 2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report seeks approval to award a contract from the 83_17 Food — Grocery, Frozen and Multi-temperature Framework Agreement.

The Education Act 1996 enables the Council to provide school meals for children and the proposals in this report support that provision.

The framework appears to be compliant with the Public Contracts Regulations 2015. The framework expires on 26 August 2021; participating authorities therefore have until this date to call-off a supplier from this Framework.

The Council's Contract Procedure Rules confirm that all subsequent purchases under a framework shall (if there are two or more suppliers for those goods or services on the framework), follow the express framework provisions for choosing a supplier.

The Framework affords participating authorities the option to either directly award a contract or conduct a mini-tender. Officers intend to directly award a contract to Thomas Ridley and Son, Limited.

The Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions. Officers have satisfied themselves that Thomas Ridley and Son, Limited, will provide best value for the Council overall.

FINANCIAL IMPLICATIONS AND RISKS

The indicative value of the agreement is £9m for the period of the extension of 12 months, of which LBH's spend is expected to be approximately £1.2m for the same extension period. The costs related to this procurement will be met from within existing budgets for Catering Services within the Children's Directorate.

Expenditure against this contract is determined by the take up of school meals. Any costs that exceed the allocated catering budget, associated with this procurement, will need to be funded from within existing budgets within the Children's Directorate.

The contract will be managed by the catering service and funded from contributions received from the participating organisations within the PAL Framework. The contributions will vary according to the level of contract spend, but the risk of a significant variation is assumed to be minimal.

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.

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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, and 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.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The intended call-off extension will have not have any effect on any resident either positive or negative

BACKGROUND PAPERS

There are no background papers related to this paper

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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

Details of decision maker

Signed

Name: Robert South

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 05.12.20

Lodging this notice

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

For use by Committee Administration

This notice was lodged with me on _____

Signed _____