

Notice of KEY Executive Decision

Subject Heading:	To approve Call-Off Contracts from the Procurement Across London (PAL) Framework Agreement for the Supply of Fresh Fruit and Vegetables procured by the London Borough of Havering on behalf of the PAL Group
Cabinet Member:	Cllr R Benham
SLT Lead:	<i>Robert South</i>
Report Author and contact details:	James Hughes 01708 433906 James.hughes@havering.gov.uk
Policy context:	Opportunities making Havering 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
Financial summary:	Havering's spend is anticipated to be £771,000.00 for the Call - off period (£257,000.00 per annum), Costs will be met from the revenue budgets of services utilising the contract. The bulk of which is expected to be the Catering Service.
Reason decision is Key	(a) Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	8 th March 2021

Key Executive Decision

Relevant OSC:	Children's Overview and Scrutiny Board
Is it an urgent decision?	Yes, need to be place immediately after the approval of the PAL Framework Agreement for The Supply and Delivery of Fresh Fruit and Vegetables.
Is this decision exempt from being called-in?	Yes. Appendix A to this report is exempt from publication by virtue of paragraph 3 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

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"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

1. To award Call-off contracts from the Framework Agreement Procurement across London (PAL) for the Supply and Delivery of Fresh Fruit and Vegetables.
2. The Call-off Contracts is valid for a period of 36 months commencing 1st September 2020 and the award is to the following suppliers-

Fresh N Fruity (UK) Limited Company No. 05422252
Thomas Prescott & Associates Ltd. Company No. 06395752
IDC Ltd Company No. 03038117

There will not be any commitment from any participating body to any volumes any purchases with any of the named suppliers. The £771,000 estimated spend for the duration of the call-off is across all three suppliers.

AUTHORITY UNDER WHICH DECISION IS MADE

Councils Constitution Part 3 – Responsibility for Functions 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. Council assets

STATEMENT OF THE REASONS FOR THE DECISION

This is a replacement for the current Call-off contract from the LCSG Framework Agreement for the Supply and Delivery of Fresh Fruit and Vegetables. The re-commissioning will allow continuity of service to the schools meal and catering services within the London Borough of Havering.

It is recommended to award Call-Off Contracts for the Supply and Delivery of Fresh Fruit and Vegetables to:

Fresh N Fruity (UK) Limited Company No. 05422252
Thomas Prescott & Associates Ltd. Company No. 06395752
IDC Ltd Company No. 03038117

The prices submitted will be held until the end of March 2021. Thereafter, an e-auction will be held to set the prices for the next school term. There are three terms per year and therefore, it is expected that the e-auctions will be held in December, March and

Key Executive Decision

August of each year. The aim of the e-auction is submit pricing for products that are affected by seasonal variation.

The advantages of purchasing in-season fruit and vegetables is that the produce can be at their freshest and, being abundant, they generally require less energy to produce and tend to cost less.

The pricing schedule will also act as a safety net to prevent pricing from increasing and allow the seasonal variations to reflect in lower prices and provide savings to the council. The products in the pricing scheduled are compared against the previous submitted schedule.

Orders will be placed with the supplier that offers the best value to the Authority and meets the needs of the schools' recipe requirements thus allowing the flexibility for orders to be placed with the best supplier and compliant with the Framework Agreement.

The London Borough of Havering as the lead Borough will receive a 0.5% contract management contribution from all participating bodies this is based on their annual spend and paid yearly by each supplier

The Havering call-off contracts will provide a 4% rebate to be paid by the suppliers' directly to Havering. Catering Services.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1 - Do nothing

The current Framework has expired on 31st August 2020; there is no further option to extend. Therefore doing nothing would result in the end of the supply and delivery of fresh fruit and vegetables for the provision of school meals and Catering Services, within the London Borough of Havering. Therefore, this option was rejected.

Option 2 - Call -Off an established Framework Agreement

This option has been considered, via either the Eastern Shires Purchasing Organisation (ESPO) or Yorkshire Purchasing Organisation (YPO) Framework Agreements. Whilst these routes will provide an alternative route to procure the goods, neither provide the variable options to purchase fresh fruit and vegetables as required by the catering group. In the main, the supply of fresh fruit and vegetables via these frameworks is pre-packed and or frozen, supplied in quantities that do not align themselves to the requirements of each catering service and, therefore rejected. This option also favours larger suppliers over smaller, local suppliers.

Key Executive Decision

PRE-DECISION CONSULTATION

Internally consultations has 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: Catering Contracts Manager

Signature:



Date: 25th February 2021

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report seeks approval to award three call-off contracts from the Supply and Delivery of Fresh Fruit and Vegetables Framework Agreement (the Council's own framework).

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

The framework expires on 31st August 2022 and the Council therefore has until this date to arrange call-off a supplier from this Framework.

As set out in the body of this report, Catering Services shall conduct price reviews prior to each school term. This procedure has been set out in the tender documentation and specifically, the framework specification.

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 permits either the direct award of a contract or further competition between the appointed Suppliers. Officers have conducted mini competitions under the framework and intend to award contracts to the Suppliers named within the recommendations.

FINANCIAL IMPLICATIONS AND RISKS

Experian Credit checks were undertaken on the three suppliers listed above to confirm financial viability and risk on 8th June 2020, and showed the risk scores shown in table 1.

Table 1: Experian Risk Scores

Company	Risk Score	Risk Rating
Fresh n Fruity	70	Below average
IDC Ltd	78	Below average
Prescott Thomas Ltd	80	Below average

Further ratio analysis of company accounts for the last 3 financial years (2017 to 2019), has confirmed that all 3 companies have good liquidity. There are some risks regarding their ability of liquid assets covering short term liabilities, however, all 3 have total net worth values which mean they have the ability to settle any liabilities using their assets.

Key Executive Decision

There are therefore no immediate financial concerns regarding the appointment of the three suppliers to the framework.

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.

Key Executive Decision

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The proposed procurement will support the provision of fresh fruit and Vegetables 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 in the Greater London area, near Stratford, 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 _____