

## Notice of key Executive Decision

<b>Subject Heading:</b>	Approval to award a Pan London framework and call- off supplier contract for the supply of Frozen Food and Groceries.
<b>Cabinet Member:</b>	Cllr. Robert Benham
<b>SLT Lead:</b>	Robert South
<b>Report Author and contact details:</b>	James Hughes, Catering Operations Manager <a href="mailto:James.hughes@havering.gov.uk">James.hughes@havering.gov.uk</a> <b>01708433906</b>
<b>Policy context:</b>	Traded Services
<b>Financial summary:</b>	The anticipated contract value for Havering Schools Catering Service is £7,000,000 for the duration of the framework 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 £36,000,000.  Value of the call-off agreement for HES Catering is £7,000,000 ]
<b>Relevant OSC:</b>	Children and Learning OSC
<b>Is this decision exempt from being called-in?</b>	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"/>

**Part A – Report seeking decision**

<b>DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION</b>
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## **Non-key Executive Decision**

To approve the award of:

- (1) a single-supplier framework contract for supply of frozen foods and groceries to Thomas Ridley and Sons Limited (Company No. 00148692) for four (4) years; and
- (2) a four year call-off agreement to Thomas Ridley and Sons Limited at a total cost of £7,000,000 from the framework in order to meet the need to provide Free School Meals and fulfil the requirement of the Universal Free School Meal programme.

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

#### **2.5 The following Functions may be delegated to individual Cabinet members by the Leader**

The Cabinet Member for this contract will be Cllr Robert Benham whom was re-appointed as representative for Children, Learning & achievement in April 2021. The deputy cabinet member can make decisions under 2.5(a) of the constitution and able to exercise those powers under 2.5(h)

Each individual Cabinet member, as appropriate, may be delegated one or more of the following functions, within the portfolio allocated to him or her by the Leader. If a Cabinet member is unable to act, the Leader may act on his or her behalf, or may authorise another Cabinet member to do so.

(h) To award contracts, agree extensions of contract terms and awards/extensions of Consortia contracts of a value above £5,000,000 and up to £10,000,000 and contracts where external funding is guaranteed and there is no longer term financial commitment to the Council.

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

The Council's current agreement, jointly procured via the ESPO framework 84\_17 will expire on 31<sup>st</sup> December 2021.

The Havering Schools Catering Service has reviewed the requirements of supply of frozen food and groceries and needs to proceed to proceed in awarding 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 1<sup>st</sup> September 2021 and beyond. Any call-off made on this framework will be on behalf of HES Catering, who supply meals to schools across London Borough of Havering.

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The establishment of this Framework Agreement for the Supply and Delivery of Frozen Food and Groceries will allow continuity of service to the school meals and catering services within the London Borough of Havering and other participating bodies. There are six 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 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,
- Thurrock Unitary Authority.

The Service recommends to approve the appointment of Thomas Ridley and Sons, Limited as the single framework supplier for the supply of Frozen Food and Groceries. The total estimated value over the life of the framework is circa £36,000.000

### **Tender Evaluation Outcomes**

An open procurement process was undertaken in accordance with the Public Contracts Regulations 2015. Advertisement was placed on Contracts Finder and Find a Tender. The allocated reference for this is:

Publication reference: 2021/S 000-005574

Publication date: 18 March 2021

Expressions of interest were received from four prospective Suppliers; of those, one declined to tender and three submitted a tender response.

The bids received from the 3 suppliers below were assessed and scored:

1. Bidfood
2. JJ Food Service
3. Thomas Ridley and Sons

Commercial assessment was set at 70% and quality was 30% of the evaluation

#### Quality Assessment (30% of the overall assessment)

- |                           |                      |
|---------------------------|----------------------|
| 1. Thomas Ridley and Sons | 22 out of 25 = 26.4% |
| 2. Bidfood                | 19 out of 25 = 22.8% |
| 3. JJ Food Service        | 12 out of 25 = 14.4% |

#### Commercial Assessment (70% of the overall assessment)

The Commercial Assessment is worth 70% of the overall score and comprised a “basket of frozen foods and groceries” based on a typical spend profile.

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Assessment was carried out on the basis of lowest total for basket of goods over price submitted, thus the lowest bidder would receive 70% and the others a proportion as follows:

<b>Bidder</b>	<b>Assessment allocation</b>
Thomas Ridley and Sons	70%
Bidfood	63.9%
J J Food Service	56.8%

### Overall Scores

1. Thomas Ridley and Sons  $26.4\% + 70\% = 96.4\%$
2. Bidfood  $22.8\% + 63.9\% = 86.7\%$
3. JJ Food Service  $14.4\% + 56.8\% = 71.2\%$

On the basis of the overall score, it is recommended that Thomas Ridley and Sons Limited be awarded the single framework supplier contract. Thereafter, the mandatory 10-day standstill period will be observed before the successful supplier can be engaged to execute the contract and discussions regarding mobilisation and transition can be finalised. The MEAT evaluation demonstrates the winning bidder will deliver the best value and HES Catering will begin to call-off from this framework.

## **OTHER OPTIONS CONSIDERED AND REJECTED**

### **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 that would need 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.

### **Call- off from an existing framework**

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, these framework will charge HES Catering 1% management fee for any call-off made from their frameworks. This would result in a cost of £17,500 per annum, £70,000 for the duration of the contract. By establishing a framework managed by

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HES Traded Services the fees will stay within the service and additional fees will be collected from any other boroughs who access the framework and has the potential to generate an additional £54,000 income per annum for the service.

**PRE-DECISION CONSULTATION**

The decision to go to market and establish a framework that would be managed by HES traded Services was discussed with all members of PAL. This decision was also supported by a non key ED approved by appropriate departments

The council had no statutory duty to consult with any other parties. Nor was the council under any legitimate expectation to do so, nor would it be unfair to not consult with residents and or any other stakeholder.

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

Name: James Hughes

Designation: Catering Operations Manager

Signature:



Date: 16<sup>th</sup> August 2021

## Part B - Assessment of implications and risks

### **LEGAL IMPLICATIONS AND RISKS**

This report seeks approval to award a 4 year framework agreement to Thomas Ridley and Sons Limited following an open tendering process, for the supply of Frozen Food and Groceries. This report also seeks approval to utilise the framework and award a call-off agreement to the Supplier at a total cost of £7,000,000.

The Council has the power under Section 1 of the Localism Act 2011 to agree the proposal set out in this report.

The total value of the framework is £36,000,000 and is above the EU threshold for services. The opportunity was therefore advertised in Find a Tender.

Officers intend to award the framework agreement to a single supplier. The Council and any participating bodies will therefore call-off the services from the Framework by a direct award as opposed to re-opening competition. Regulation 33(8) of the Public Contracts Regulations 2015 allows a framework agreement to be performed in this way. This approach is also in accordance with the Council's Contract Procedure Rule 20.4.

As the contract value exceeds £150,000 the contract must be executed as a deed by the affixing of the Council's seal. The call-off contract must therefore be sent to Legal Services to be executed.

### **FINANCIAL IMPLICATIONS AND RISKS**

There are no financial implications to the council due to this contract. The full cost of the contract is recouped, including the cost of food materials and overheads from schools. In fact, additional revenue to the council is brought in the form of rebates income from the purchases made from the approved suppliers.

### **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;

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(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**

Havering Council is committed to improving the health and well-being of all residents including that of school children.

The proposed award of a single-supplier framework contract for supply of frozen foods and groceries for Havering School meals Service aimed at achieving best value and economies of scale via a collaborative group is likely to impact positively on health and wellbeing of school children by ensuring continuity of service, food safety and a reduction in risk to the health and wellbeing of pupils and staff

## **BACKGROUND PAPERS**

There are no additional papers for this contract framework



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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

*Delete as applicable*

Proposal refused

**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 Democratic Services Officer in Democratic Services, in the Town Hall.

**For use by Committee Administration**

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

Signed \_\_\_\_\_