

Notice of Non-key Executive Decision

Subject Heading:	Approval to award a contract for Kitchen Extraction Duct Cleaning Services
Decision Maker:	Tara Geere, Director Children Services
Cabinet Member:	Councillor Oscar Ford
SLT Lead:	Tara Geere, Director Children Services
Report Author and contact details:	Michelle Tarten, Brokerage Service and Partnerships Manager Michelle.tarten@havering.gov.uk 01708 431108
Policy context:	Supports outcomes within the 'People' theme of the Havering Vision.
Financial summary:	The cost of the new contract including VAT is £29,412 per annum (£88236 total for a 3 year contract). The amount funded from HES Catering Service revenue budgets excludes VAT, which will be £24,510 per annum. The revenue budget is dependent upon income generated from schools that have catering contracts with HES.
Relevant OSC:	People OSSC
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision

Non-key Executive Decision

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

People - Things that matter for residents x

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval to award a three year contract to Impact Hygiene Ltd for the provision of Kitchen Duct Cleaning for schools who purchase catering services from HES. The value of the contract is £29,412 including VAT (£88,236 in total for a 3 year contract) ex VAT is £24,510 per annum (£73,530 total contract value).

AUTHORITY UNDER WHICH DECISION IS MADE

The Council Constitution Part 3

3.3 Powers of Members of the Senior Leadership Team

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

General powers

(b) To exercise all the powers delegated to them personally and those powers delegated to Second Tier Managers and other staff members in their directorate where circumstances require and so far as legally permissible. Exercise of such powers should be recorded where appropriate. Where possible, a SLT member should give notice to a relevant staff member that he or she intends to exercise a specified power that is delegated to that staff member.

3.4 Powers of Second Tier Managers

Second Tier Managers are those managers directly reporting to a SLT Director. Second Tier Managers all have delegated authority to act as follows within the assigned service, subject to the general provisions and limitations set out in section 3.1 above.

Contract powers

- (a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services.

STATEMENT OF THE REASONS FOR THE DECISION

HES Catering Services is seeking to award a contract to Impact Hygiene Ltd for the provision of Kitchen Duct Cleaning for schools who purchase catering services from HES.

This clean is required in order to comply with current industry standards and regulations for the 57 schools within the HES Catering Service remit. The kitchen extract system presents particular hazards due to the potential for the accumulation of grease. Accumulated grease forms a hidden combustion load and under certain circumstances flames or very high temperatures within the duct can ignite the grease causing fire to spread rapidly.

This is an urgent requirement as this service must be conducted annually during the summer break when the school kitchen is not in daily use. This is to ensure that HES Catering and the council are compliant with H&S regulations.

Non-key Executive Decision

The Service initially carried out market engagement to ensure that suitable suppliers were aware of the impending request for quotations via FUSION. HES Catering then used the council's Fusion portal to invite potential suppliers to quote as per the requirements of the Council's contracts procedure rules.

Request to Quote Outcomes

The service invited six companies to quote via FUSION. Out of the six, two responded with a quote and one stated that they had responded, it transpired later that they did not upload to the system.

The procurement lead assigned to the project advised that that this outcome was acceptable within Havering's CPRs, since six quotes were sought and although only two received, the contract can be awarded to the winning bidder.

On the basis of the 100% commercial assessment, the winning bidder was Impact Hygiene who met the best value requirement. The participating bidders were ranked (see below) with the most economically advantageous bidder ranked highest.

- 1- Impact Hygiene (100 marks)
- 2- Bidder B (61 marks)

The Service therefore recommends to approve the award of the three year contract to Impact Hygiene Ltd (co. no. 08600175) for the service of Kitchen Extraction Duct Cleaning.

The project is aligned with the following Havering priority:

Our children, young people thrive and are inspired to reach their full potential'

HES Catering have helped educate Havering pupils on the provenance of food and how a healthy diet, in conjunction with regular exercise, is essential to their development. The team are now embarking on a follow-up campaign with Public Health as part of the London Borough of Havering's 'Obesity Strategy'. HES Catering also champion inclusive values, which are reflected in menus. Theme days and menus ensure that a culturally diverse menu is on offer, helping to teach pupils about inclusion and diversity.

OTHER OPTIONS CONSIDERED AND REJECTED

Purchase ad-hoc from the market

Given the potential cumulative value of spend over time, this option will not be compliant with the council's procurement guidelines and policies. The service would be at the mercy of suppliers who, not bound by contract terms and conditions, could increase prices at their own discretion.

To use an existing framework

Following extensive research of national frameworks, it is clear that there are none suitable for this specialist area of work.

Not to do anything was considered and rejected as this would mean that the Council would be in breach of Health and Safety regulations.

Non-key Executive Decision

PRE-DECISION CONSULTATION

Senior Stakeholders were informed of the outcome and all internal business partners were consulted on the decision.

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

Name: Michelle Tarten

Designation: Brokerage Service and Partnerships Manager

Signature: *Michelle Tarten*

Date: 7th July 2023

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council is a Local Authority within the meaning of Section 579 of the Education Act 1996 as amended. Under Section 14 of the same Act the Council has a duty to ensure that there are, “sufficient schools for providing primary and secondary education in its area”; and sufficient in this context means in respect of “number, character and equipment to provide for all pupils the opportunity of appropriate education.”

The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything that an individual generally may do subject to other statutory provisions limiting or restricting its use. The recommendation in this report is compatible with this statutory power.

The proposed contract value of £88,236 inc VAT is below the applicable Public Contracts Regulations 2015 (“PCR”) threshold for services contracts of £213,477 (inc VAT) and is therefore not subject to the full PCR regime. A competitive procurement procedure has been conducted and officers obtained quotes in accordance with the Council’s Contract Procedure Rules (CPRs) for a contract of this value. Officers are satisfied that the number of candidates was sufficient to ensure genuine competition.

FINANCIAL IMPLICATIONS AND RISKS

The annual cost of the 3 year contract including VAT is £29,412 (£88,236 in total).

The cost excluding VAT is £24,510 per annum, which will be met from HES Catering Service revenue budgets.

The cost of the current contract (exc VAT) is £29,000 per annum. Therefore the new contract will result in an annual reduction in costs of £4,490.

The budget is dependent upon income generated from catering contracts with schools.

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

There are no recognised issues impacting Havering or placing any risk upon Human Resources in relation to this type of contract.

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:

Non-key Executive Decision

(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, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

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.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The procurement process has followed the principle of sustainable procurement which is the act of adopting social and environmental factors alongside price and quality considerations.

It will be vital to ensure that suppliers can provide suitable assurance on the social and environmental sustainability of their supply chain.

Throughout the contract lifecycle HES Catering will also collaborate with our suppliers to identify and implement improvements and support our efforts to continually improve in the sustainable development arena.

BACKGROUND PAPERS

None

APPENDICES

None

Non-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

Details of decision maker

Signed 

Name: Tara Geere

Cabinet Portfolio held:

SLT Member title: Statutory Director of Starting Well

Head of Service title

Other manager title:

Date: 12.07.23

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

Non-key Executive Decision