



Haringey Council

Agenda item:

[No.]

Cabinet Procurement Committee

On 15<sup>th</sup> September 2009

Report Title: Call off contracts under Framework Agreements for the Food Supplies of Grocery & Provisions and Frozen Foods & Frozen Meats for Council Catering Service

Report of Director of the Children and Young People's Service

Signed : Ian Bailey  
pp Peter Lewis

Contact Officer : Marianna Clune-Georgiou

Wards(s) affected: All

Report for: **Key Decision**

### 1. Purpose of the report

1.1. The report seeks Cabinet Procurement Committee agreement to use the ESPO framework agreements for

- (i) Grocery & Provisions and
- (ii) Frozen Foods & Frozen Meat.

1.2. The report seeks Cabinet Procurement Committee agreement to award call off contracts under the Framework Agreements for the provision of Council wide purchase of Grocery & Provisions and Frozen Foods & Frozen Meat to JJ Foodservice Limited.

### 2. Introduction by Cabinet Member

2.1. I am happy to support the recommendations in this report. In addition I have asked

officers to pursue IIP accreditation with JJFoodservice Ltd.

### **3. State links with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. Making use of framework agreements will link to the category management strategy and will link to the Council's priorities specifically:
- 3.2. Priority 1: Make Haringey Green, the contractor proposes to use an electric vehicle for many deliveries, and will be utilising other vehicles which are already delivering to business units within the borough. JJ Foodservice Ltd are accredited with ISO14001 for their Environmental Management Polices
- 3.3. Priority 5: delivering excellent, customer focussed, cost effective services. All meals produced in our schools must meet the Government's nutrient and food based standards.
- 3.4. Providing a healthy, well balanced meal links to the business plan ensuring every child and young person is happy, healthy and safe with a bright future.
- 3.5. Partnership working with colleagues within ESPO gives the council opportunities for collaborative procurement on high volume provisions, helping us to achieve greater value for money.

### **4. Recommendations**

- 4.1. As allowed in CSO 6.09, the Council seeks Members agreement to utilise the Framework Agreement of the public body Eastern Shire Purchasing Organisation (ESPO):
- 4.2. In accordance with CSO 6.10, we seek Members agreement to award call off contracts to enable Council wide purchasing of food raw materials from the following Framework Agreements:
  - (i) Framework Agreement for Grocery & Provisions
  - (ii) Framework Agreement for Frozen Foods & Frozen Meat
- 4.3. That Members agree to award call off contracts as allowed under Contract Standing Orders 11.03 for a period of 34 months 1 November 2009 – 31 August 2012, to JJ Foodservice Limited, with the option to extend for 1 further period up to 12 months.

### **5. Reason for recommendations**

- 5.1. The Eastern Shires Purchasing Organisation (ESPO), has tendered to establish Framework agreements for Grocery & Provisions and Frozen Foods & Frozen Meats on behalf of Haringey Council. The tender obtained value for money for the Council in terms of cost, quality and environmental sustainability.
- 5.2. It is imperative that the service purchases quality products from a reputable supplier, to ensure that the meals served to the children and young people of the borough at school, is nutritional to the governments School Food Standard. And that the company can provide the relevant nutritional data to allow for the analysis of the school menus to cover 14 nutrient elements.
- 5.3. JJ Foodservice Ltd are a local foodservice wholesaler, offering value for money and a sustainable solution to our food supplies, the use of a specially developed, multi-

temp vehicle will enable both dry goods and frozen foods to be delivered on the same electrically powered vehicle which has zero emissions, no noise pollution, reduced carbon footprint and their old vehicles are being recycled to develop the electric vehicles.

## **6. Other options considered**

6.1. Framework agreements provide value for money to the meet the Council's catering services requirements. ESPO is a public body which has many years of experience in the catering market, and also has the buying power of a consortium, and therefore other options were not seen as viable at this point. Due to the introduction of category management in the Council and the continued development of regional commissioning, other options will be explored in future years.

## **7. Summary**

- 7.1. The tender was an open EU tender procedure. Framework Agreements were awarded to JJ Food Service Ltd, for a period of 36 months, commencing on 1<sup>st</sup> September 2009, with an option to extend for a further period up to 12 months.
- 7.2. The pre-tender estimated spends which were stated to tenderers was the annual value for 08/09 as follows:
- (i) Grocery & Provisions £528,000
  - (ii) Frozen Foods & Frozen Meat £660,000
- 7.3. The call off contracts under the Framework Agreements will be for a period of 34 months from November 2009 – August 2012. The projected annual spend for both Frameworks is in the region of £1.3 million.
- 7.4. The Framework Agreements will be used by Schools Catering Service, Social Services, and other Council Departments providing on site catering.
- 7.5. The contract will be managed by the Schools Catering Service which is the main user, who will also monitor the performance of the contract to ensure that the Council receives value for money throughout the life of the contract. Category management will be utilised in the proactive management of the contract to ensure that the contract is fully used by all relevant Council departments.
- 7.6. Fair Trade Tea and coffee products and fruit juices are available on the Grocery and Provisions contract. The Schools Catering Service only use Fair Trade products where available. Flexibility has been incorporated within the contract to widen the Fair Trade products lines available throughout the life of the contract.
- 7.7. JJ Food Service will provide savings compared to the present contracts, the ability to source from a local company who has a major depot less than 7 miles from the borough with extensive business within the borough and the opportunity to make sustainable gains with less food distribution miles by combining deliveries of groceries and frozen foods.

## **8. Chief Financial Officer Comments**

8.1. In order to achieve the maximum benefit it is imperative that all relevant users take advantage of the contract discount negotiated through these call-off contracts; this

will be controlled through the use of category management analysis. It is recognised that this control can only happen retrospectively and so widespread notification of the contract arrangements will be necessary.

8.2. The contract allows for termly price adjustments (surcharges) to apply subject to a formal notification being submitted to ESPO and their assessing the increase as reasonable in the marketplace; as such the estimated savings are still subject to some potential variation as market costs fluctuate.

### **9. Head of Legal Services Comments**

- 9.1. Children and Young People's Services Directorate (the Directorate) seeks approval to award two call-off contracts, one for groceries and provisions and one for frozen food & frozen meats, under an ESPO Framework Agreement.
- 9.2. The Directorate has confirmed that the Framework Agreements were tendered in Europe in accordance with EU tender procedures.
- 9.3. Because the anticipated spend under the call-off contracts is in excess of £250,000, the awards must be approved by the Procurement Committee in accordance with CSO 11.03.
- 9.4. The award of the contracts will also be a Key Decision as the value is in excess of £500,000, and so needs to be included in the Forward Plan (see CSO 11.04). The Directorate has confirmed that this has taken place.
- 9.5. The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

### **10. Head of Procurement Comments**

- 10.1. This recommendation is in line with the Procurement Code of Practice.
- 10.2. The recommendation is the result of a competitive procurement process, and represents Value for Money to Council, with a predicted 1.8% saving against the previous contractual arrangements.
- 10.3. Contract management is in place to ensure that the service is delivered in compliance with the contract, and to minimise any risk of service failure.

### **11. Equalities & Community Cohesion Comments**

- 11.1. Equalities principles were incorporated within the procurement process and the organisations equalities policy and procedures is monitored as part of the Council's contract management.

### **12. Consultation**

- 12.1. Consultation with internal departments who would be the users of the service and external consultation with Schools as part of the procurement process.

12.2. User Feedback from all relevant Council departments will also be obtained throughout the life of the contract to ensure that the contract continues to meet the needs of all users and that the contract is fully utilised by all user departments.

**13. Service Financial Comments**

13.1. Overall Council spend in 08/09 for both contracts was £1,329,000 and the framework agreement is expected to generate savings in the region of 1.8% against 08/09 contracts.

**14. Use of appendices /Tables and photographs**

14.1.

**15. Local Government (Access to Information) Act 1985**

15.1. [List background documents]  
[Also list reasons for exemption or confidentiality (if applicable)]