

Agenda item:

**[No.]**

**Procurement Committee**

**On 6<sup>th</sup> July 2010**

Report Title. **Community Meals - Extension of Contract**

Report of **Mun Thong Phung Director of Adult, Culture & Community Services**

Signed :

Contact Officer : **Margaret Allen, Assistant Director of Adult, Culture & Community Services**

Wards(s) affected: **All**

Report for: **Key Decision**

### **1. Purpose of the report**

- 1.1. To seek Member agreement to extend the contract for the provision of Community Meals for a further two years to 31 May 2012 in accordance with the contract terms.

### **2. Introduction by Cabinet Member (if necessary)**

- 2.1. The personalisation agenda represents a significant change for adult social care in the way that services are procured, contracted for and delivered. The Council is committed to this agenda.
- 2.2. I agree with and support the 2 year contract extension which will allow the Council to further embed the personalisation agenda without compromising the delivery of the Community Meals provision that offers quality and value for money to client service users.

### **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. The Government's Personalisation Agenda will change the way in which services are provided to clients. It is also envisaged that the type of services required will change radically and could have an effect on the Community Meals contract.

Council Plan Priorities are:

- Encouraging lifetime well-being at home, work, play and learning;
- Promoting independent living while supporting adults and children in need; and
- Delivering excellent customer focused cost effective services.

- 3.2 The Council is required to have significantly progressed on its implementation of the Personalisation Agenda by March 2011.

### **4. Recommendations**

- 4.1. That Members agree to extend the contract for the provision of Community Meals to Sodexo Healthcare Services for a further two years until 31<sup>st</sup> May 2012 in accordance with the contract terms.

### **5. Reason for recommendation(s)**

- 5.1. The Community Meals contract was awarded to Sodexo for a period of 5 years commencing 1<sup>st</sup> June 2005 with an option to extend for a further 12 month period on a year by year basis for a further 2 years.
- 5.2. Discussions between the Council and Sodexo in recent months reached an improved value for money option for the Council allowing a seamless meals service to continue to be delivered to residents in their own homes and to those using the Council's Drop In/ Day Centres.
- 5.3 The 2 year extension will allow the Council to further embed the personalisation agenda without compromising client service delivery.
- 5.4 Sodexo is providing a good service which is regularly monitored via regular contract review meetings and consultation with service users.

### **6. Other options considered**

- 6.1. Alternative meals provision was explored during the autumn/winter of 2009 -10. currently there is no alternative provision in the borough at a similar capacity to Sodexo

6.2 Options for combining with neighbouring boroughs for meals provision were investigated. However, existing contractual arrangements for the neighbouring boroughs precludes Haringey from pursuing this option.

## **7. Summary**

7.1. Community Meals is comprised of Meals on Wheels (MOW) and meals for 4 Drop in Centres and 1 Day Centre.

7.2. It is considered in the best interest of the council to extend the current contract to 31 May 2012 to allow for the development of the Directorate's Commissioning Strategy and the implementation of the Government's Personalisation agenda without incurring retendering resources at this stage.

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

8.1. The cost of the extension to the contract for the provision of meals represents improved value for money. There is specific agreement to review the cost drivers of the provider during the course of the extended period to achieve greater value for money. The cost of the contract can be contained within the resources identified within Adults Services.

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

9.1. The community catering contract was awarded in 2005 for a period of five years with the option of a two year extension. Adult Services Directorate now wishes to extend the contract for a period of two years in accordance with the terms and conditions of the contract.

9.2. Because of the value of the contract it is a requirement of Contract Standing Orders that the extension is approved by Members in accordance with CSO 13.02.

9.3. The extension of the contract is also a Key Decision, and as such, there is a requirement in Contract Standing Orders that the contract is included in the Forward Plan.

9.4. The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendations in this report.

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

10.1. The recommendation is in line with the Procurement Code of Practice.

- 10.2. The extension shows a small saving to the Council and allows for the development of the market to meet the needs of the personalisation agenda.
- 10.3. The contract is regularly monitored to ensure contract compliance and currently provides a good quality service.
- 10.4. The extension of the contract is allowed for within the current terms and conditions and therefore poses minimal risk of challenge from other suppliers.

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

- 11.1. The current contract with Sodexo offers a diverse range of hot delivered meals to vulnerable clients in their own homes and meals to residents using the Drop In/Day Centres.
- 11.2. In addition to standard Western European meals, the range of provision includes Halal, Kosher, Cypriot, Eastern European, African Caribbean, Vegetarian, gluten free, and pureed meals.
- 11.3. The meals provision is a 2 course meal and one which clients can choose to make up their own personal menu.

#### **12. Consultation**

- 12.1. Client User consultation is undertaken annually (Appendix A)

#### **13. Service Financial Comments**

- 13.1. The Meals on Wheels (MOW) budgets are £521.3k. The proposed cost of the new service based on 75000 meals using the unit costs for West European meals (including delivery charges) is £438k. See Appendix B.
- 13.2. **Efficiencies**  
The negotiation process identified further potential savings during the course of the contract and a specific clause in the contract states that quarterly meetings would be initiated to look at further efficiencies in the contract by the provider such as apportionment of overheads and reduction in running costs.

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

- 14.1. Client User Consultation 2005 – 2009 (Appendix A)
- 14.2. Service Financial Comments (Appendix B)

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

15.1. The following background papers were consulted in the preparation of this report::

- Contract Documentation and Specification – Community Meals
- Monthly Financial Information including Sodexo invoices

15.2. This report contains exempt and non-exempt information. Exempt information is contained in Part B of this report and NOT FOR PUBLICATION. The exempt information is under the following category (identified in the amended schedule 12A of the local Government Act 1972) (3) Information relating to the financial or business affairs of a particular person (including the authority holding that information)