

Agenda item:

[No.]

Cabinet Procurement Committee

On 16th September 2010

Report Title: Award of contract for the Food Supplies of Green Grocery for Council Catering Service	
Report of Director of the Children and Young People's Service	
Signed :	
Contact Officer:	Marianna Clune-Georgiou Head of Catering, Catering Service
Telephone:	020 8489 5769
Wards(s) affected: All	Report for: Key Decision
1 Purpose of the report	
1.1	The purpose of this report is to seek approval for the award of a Framework Agreement to the successful suppliers named in Part B (Exempt information) of this report.
1.2	The Framework Agreement will allow for the Council's catering service to "call off" supplies from the framework through a purchase order issued to the provider able to provide the specific supplies and having the highest tender score. This order will form a contract between the Catering Service and the Supplier.
2 Introduction by Cabinet Member	
2.1	I am satisfied that the appropriate procedures have been followed and that the framework agreement will offer the best value for money.
3 State links with Council Plan Priorities and actions and /or other Strategies:	
3.1	The service contributes to the Council's following priorities:
3.1.1	(i) Haringey's Sustainable community Strategy, Priority 3 – A Healthy, Caring Haringey (ii) The Children and Young People's Strategic Plan 2009 – 2020 (ii) Every Child Matters (ECM) outcome – Be Healthy

All meals are produced in Haringey schools to meet the Government's nutrient and food based standards. Schools are promoting and encouraging children and young people to eat healthy meals in order to improve student's attention span and their ability to concentrate in the classroom.

- 3.1.2 **Delivering excellent, customer focused, cost effective services:** Partnership working with colleagues within Eastern Shire Purchasing Organisation (ESPO) gives the council opportunities for collaborative procurement, which assist the local authority to achieve greater value for money.

4 Recommendations

- 4.1 Members to agree the award of the Framework Agreement to the successful tenderers named in Part B of this report as allowed under Contract Standing Order (CSO) 11.03 and in accordance with the recommendations set out in this report. The Framework Agreement will be awarded for a period of 3 years commencing from 1st November 2010 to 31st October 2013 with the option to extend for 1 further period up to 12 months.

5 Reason for recommendations

- 5.1 The current contract for the Food Supplies of Green Grocery for Council Catering Service Expires on 31st October 2010. It is imperative that the Council has a system in place to purchase quality products from a reputable supplier, to ensure that the meals served to the children and young people of the Borough are nutritionally compliant with the governments School Food Standards.
- 5.2 The successful organisations' tenders represent value for money for the Council in terms of cost, quality and environmental suitability.
- 5.3 The EU compliant Tendering exercise has been carried out by ESPO on behalf of Haringey Council.

6 Other options considered

- 6.1 The other option considered was for Haringey Council to carry out the EU tendering process. This was not feasible at the time due to other work commitments. It was also decided that ESPO have many years of experience in tendering food service requirements.

7 Summary

- 7.1 On behalf of the London Borough of Haringey, ESPO invited suppliers to tender for the Framework Agreement to cover the supply and distribution of Potatoes, Fruit and Vegetables in schools within the Borough. Other service areas within the Council may opt to take advantage of the Framework Agreement (namely social care but not exclusively).
- 7.2 The procedure was an open EU tender procedure. Prior Information Notice (PIN)

was placed on 8th December 2009, followed by an advert placed in Official Journal of the European Union (OJEU) on the 28th April 2010.

- 7.3 Two bids for inclusion on the Framework Agreement were received by the closing date of 25th May 2010.
- 7.4 The evaluation was based on 60% Price and 40% Non Price; non price refers to the ability of the provider to manage the contract and quality of service delivery.
- 7.5 The evaluation panel involved officers of ESPO and the London Borough of Haringey. Final scoring for both organisations is contained in Part-B of this report. The Framework was advertised for a maximum of 4 suppliers.
- 7.6 Performance and Sales related information will be supplied to Haringey Council and ESPO. ESPO will carry out contract monitoring meetings initially on a monthly basis until the Framework is bedded in.

8 Chief Financial Officer Comments

- 8.1 The total cost of this Framework Agreement is recovered through the price of school meals which is either in turn met by parents, or for those in receipt of free school meals, through resources delegated to schools in their budgets.
- 8.2 It is worth noting that the Framework Agreement value set out in this report is indicative based on the prices quoted and previous levels of consumption. To the extent that quantities vary the Framework Agreement value will also change although, as set out above, it will be met fully by 'contributions' and there is no overall risk to the Council's core budget.

9 Head of Legal Services Comments

- 9.1 The recommendation is to establish a framework agreement with two economic operators based on the results of a tender conducted by ESPO acting on behalf of the Council. In so acting, ESPO was also acting as a Central Purchasing Body ("CPB") as defined in the Public Contracts Regulations 2006 ("PCR").
- 9.2 The PCR (regulation 22) allows a CPB to set up a framework agreement for works, goods or services intended for other contracting authorities like the Council. Once the CPB's procurement is compliant with EU requirements, the contracting Council's procurement through the framework agreement is also deemed EU compliant.
- 9.3 ESPO has provided the Council with considerable information and reasonable assurances as to the compliance of their procurement of this framework with EU rules. See however the further comments in paragraph 3 of Part B of this report.
- 9.4 As the estimated value of the provision under the framework agreement is over

£250,000, the award of the framework agreement is a key decision. Under Contract Standing Order 11.04, the framework agreement must be included in the Council's Forward Plan. This requirement has been met.

9.5 The Cabinet Procurement Committee has power under Contract Standing Order 11.03 (award of contracts over £250,000) to approve the award of the framework agreement.

9.6 The Head of Legal Services confirms that there are no significant risks preventing Members from approving the recommendation at paragraph 4.1 of the report.

10 Head of Procurement Comments

10.1 ESPO has carried out a fully compliant EU tendering process on behalf of Haringey Council. The award of this framework as outlined in paragraph 3 of the Part B of this report represents the best value for money option.

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 was held with ESPO and contract officer in Children's Services before and during the tendering process.

12.2 User Feedback from relevant Council departments will 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 other departments.

13 Service Financial Comments.

13.1 The estimated annual cost of this contract is £233,000; the cost over a three year period will be £700,000. Total value if extended by a further year will be £933,000

13.2 The annual spend last financial year across the local authority was £262,058.

14 Use of appendices /Tables and photographs

15 Local Government (Access to Information) Act 1985

15.1 This report contains exempt and non exempt information.

15.2 Exempt information is contained in Part B and is 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 relation to the financial or the business affairs of any particular person (including the authority holding that information)