

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 4th February 2014
Report of: Sharon Alldread-Education and Catering Manager
Subject/Title: Re –Procurement of Fresh Produce
Portfolio Holder: Cllr. Rachel Bailey, Children and Family Services and Rural Affairs

1.0 Report Summary

- 1.1 Cheshire East Catering currently spends circa £460,000 per annum on Fresh Fruit, Vegetables, Milk, Dairy and Bread Products. These items are used primarily in schools in the preparation of school meals.
- 1.2 The Catering service currently holds a Bronze, Soil Association accreditation for the food served in schools; this means the produce is Seasonal, Organic, Sustainable, Free Range, Traceable and Healthy.
- 1.3 Currently the provision is provided via a framework agreement which ends at the end of February 2014.
- 1.4 The proposal is to run a Cheshire East 'own tender' procurement exercise separating the region into "Lots", to enable smaller businesses to show an interest in tendering for this provision, supporting the Local economy. The contract term is proposed to run from March 1st 2014 for three years with options to extend for two 12 month periods.
- 1.5 The Corporate Procurement Unit have researched the procurement options available but to manage the timescales there is currently not a framework agreement available for us to join, which can supply the range of products required.
- 1.6 This procurement exercise would help support the Councils 3 year plan- Outcome 2; Cheshire East has a strong resilient economy. Outcome 5- People live well and for longer.

2.0 Recommendations

- 2.1 It is recommended that Cabinet approve the procurement route proposed.
- 2.2 It is recommended that Cabinet delegate authority to the Chief Operating Officer in consultation with the Portfolio Holder, to award a single or multiple contracts to the highest scoring bidder for each Lot.

3.0 Reasons for Recommendations

- 3.1 To ensure that the council obtains maximum value for money and to ensure a robust, compliant procurement procedure is undertaken.
- 3.3 To ensure that future procurement and contracts for these services comply with the Public Contracts Regulations 2006 and the Council's Finance and Contract Procedure Rules.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The recommendations within this report support the Council in its general operational activity. By ensuring multiple products are delivered together, this helps with the councils Carbon Reduction levels and supports the School Food Plan in relation to reducing food miles
- 6.2 The new contract will be for use by Council Catering dept. and any associated companies whom are legally able to use these arrangements.

7.0 Financial Implications

- 7.1 Cheshire East Catering purchase on behalf of the schools, as required for school meals.
- 7.2 The annual approx spend is £460,000 across all the Lots, funded from service level agreement charges to schools. Invoices are paid retrospectively

8.0 Legal Implications

- 8.1 The existing contracts for Fresh Produce will expire on 28th February 2014 and cannot be extended.
- 8.2 Given the contract value for the new contract, the council will need to re-procure in accordance with the Public Contract Regulations 2006 and the Councils own Finance and Contract Procedure Rules.
- 8.3 The contract value will be in the region of £2.3 million over the 5 years. The Public Contracts Regulations 2006 provide that an above threshold

goods contracts should be tendered in compliance with the open or restricted procedure

9.0 Risk Management

- 9.1 Failure to re-procure a new contract for these supplies by end January 2014 would potentially breach Public Contract Regulations 2006 and the Councils Finance and Contract Procedure Rules.

10.0 Background

- 10.1 Cheshire East Catering (CE Catering) currently spends circa £460,000 per annum on Fresh Produce.
- 10.2 CE Catering wish to encourage locally based provider to supply Fresh Produce, this is in line with the Governments School Food Plan and Local First aims of Cheshire East Council.
- 10.3 It is proposed a new contract term be procured for a period of three years with two extension periods both of 12 months. In total the proposed contract value is estimated to be in the region of £2.3m.
- 10.5 The Corporate Procurement Unit have researched the procurement options available for the re-procurement of Fresh Produce. The most expedient route to achieve the desired outcome is to run the procurement exercise ourselves on the Chest system.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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