

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Joanne Cooper-Interim Catering Service Manager
Subject/Title:	Procurement of Dry and Frozen Food Products (Ref CE 13/14-92)
Portfolio Holder:	Cllr. Rachel Bailey, Safeguarding Children and Adults; Cllr. J Clowes, Care and Health in the Community

1.0 Report Summary

- 1.1 Cheshire East Council currently spends circa £1.3 million per annum on Dry and Frozen Food Products. These items are used primarily in schools in the preparation of meals within schools and Council operated care establishments.
- 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 an AGMA framework agreement which is due to end on 30th September 2014. All allowable extensions to this framework have been used.
- 1.4 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 at competitive prices.
- 1.5 Cheshire East is running it's "own tender" exercise using the Chest system. This provides the flexibility to run a single exercise, but the opportunity to split the Borough into 3 or 4 regional 'lots' in order to make the opportunity more appealing to any SME organisations operating in this arena who may have the capability to service one of the regions of Cheshire East, but may not be able to service the Borough as a whole. Given the timescales in which the procurement must take place in order to award a contract to start on the 1st October 2014 the procurement process has already begun.
- 1.6 The contract term is proposed to run from 1st October 2014 initially for a three year period with an option to terminate the contract during the term on the anniversary date by giving six months written notice and an option to extend the contract for two separate periods of one year

each, two being the maximum, until 30th September 2019 (to be renewed on an annual basis).

2.0 Recommendations

- 2.1 That Cabinet approve that the procurement route continues together with the actions proposed.
- 2.2 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.
- 3.2 To provide the opportunity for greater flexibility on the contracts than those that currently exist in the marketplace.
- 3.3 To ensure that 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 Council's 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 dry and frozen produce on behalf of the schools, as required for school meals.

- 7.2 The annual approx spend is £1.3 million across all the Lots or regions of Cheshire East; this is fully funded through service level agreement recharges to schools and Care Homes. Invoices are paid retrospectively

8.0 Legal Implications

- 8.1 The existing contracts for Dry and Frozen Produce will expire on 30th September 2014 and cannot be extended.
- 8.2 The total contract value will be in the region of £6.5 million over the full 5 years (including extension periods). Given the contract value for the new contract, the Council is carrying out a competitive procure exercise in accordance with the Public Contract Regulations 2006 and the Councils own Finance and Contract Procedure Rules.

9.0 Risk Management

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

10.0 Background and Options

- 10.1 Cheshire East Council currently spends circa £1.30 million per annum on Dry and Frozen Food Produce.
- 10.2 It is proposed that a new contract be procured for a period of three years with two possible extension periods each of 12 months. In total the proposed contract value is estimated to be in the region of £6.5 million, with a possible increase of 20% dependent upon the uptake of the Universal Infant Free School Meals.
- 10.3 The Corporate Procurement Unit have researched the various procurement options available for the re-procurement of Dry and Frozen Food Produce. The preferred route to achieve the desired outcomes has been identified as running 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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