

# CHESHIRE EAST COUNCIL

## Cabinet

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**Date of Meeting:** 21st April, 2015  
**Report of:** Joanne Cooper Interim Catering Services Manager  
**Subject/Title:** Procurement of Fresh Meat and Fresh Meat Products including Poultry  
**Portfolio Holder:** Cllr Rachel Bailey, Safeguarding Children and Adults  
Cllr Janet Clowes, Care and Health in the Community

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### 1.0 Report Summary

- 1.1 Cheshire East Council currently spends circa £433,000 per annum on Fresh Meat and Fresh Meat Products including Poultry. These items are used primarily in schools in the preparation of meals within schools and also within Council operated care homes.
- 1.2 Currently the provision is provided through contracts with three local butchers, which is due to end on 30<sup>th</sup> September 2015. All allowable extensions to these contracts have been used.
- 1.3 The Corporate Procurement Unit have researched the procurement options available to manage establishing a new contract in the timescales available, which can supply the range of products required at competitive prices. The most appropriate route is a full procurement in line with the EU regulations, exploring variable 'lots' or sizes of contracts to support local / Small and Medium sized Enterprise (SMEs) suppliers who may wish to engage with the Council.
- 1.4 The new contract term is proposed to run from 1st October 2015 initially for a two year period until 30<sup>th</sup> September 2017, with options to extend the contract for two separate periods of one year each, two being the maximum, until 30th September 2019.

### 2.0 Recommendations

#### 2.1 That Cabinet

- 1 approve that new contract(s) be procured for a period of two years with two possible extension periods each of 12 months, with contracts being awarded to the highest scoring tenderers; and
- 2 note that new contract(s) need to be in place by 1st October 2015.

### **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. The procurement will be broken down into geographical lots in order to appeal to SMEs.
- 3.3 To ensure that procurement and contracts for the supply of these goods comply with the Public Contracts Regulations 2006 and 2015 and the Council's Finance and Contract Procedure Rules.
- 3.4 To ensure the highest quality meat is obtained at competitive rates and sourced in a responsible manner ensuring acceptable socially, sustainable products with full traceability.

### **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 more local produce is 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 the Council Catering Dept. and any associated companies whom are legally able to use these arrangements.

### **7.0 Implications for Rural Communities**

- 7.1 N/A

### **8.0 Financial Implications**

- 8.1 Cheshire East Catering purchase fresh meat and fresh meat products including poultry on behalf of the schools, as required for school meals.
- 8.2 The approximate annual spend on fresh meat is £433,000 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.

## **9.0 Legal Implications**

- 9.1 The existing contracts for Fresh Meat and Fresh Meat Products including Poultry will expire on 30<sup>th</sup> September 2015 and cannot be further extended beyond that expiry date.
- 9.2 The total aggregate contract value for the new proposed contract will be in the region of £1.73 million over the full 4 year term (including the optional extension periods). In order to re-procure a new contract of that value, which exceeds the current applicable EU threshold of £172,514 for supplies (goods) contracts, as such the Council is required to carry out a competitive procurement exercise for the new contract in a suitable form that is in accordance with the Public Contract Regulations 2006 and 2015 and the Council's own Finance and Contract Procedure Rules.

## **10.0 Risk Management**

- 10.1 Failure to re-procure a new contract for these supplies by end September 2015 would potentially breach the Public Contract Regulations 2006 and 2015 and the Council's own Finance and Contract Procedure Rules.

## **11.0 Background**

- 11.1 The Catering Service currently holds a Bronze, Soil Association accreditation for the food served in schools and is working towards Silver with the intention to become Gold during the term of the contract; this means the produce is Seasonal, Organic, Sustainable, Free Range, Traceable and Healthy.
- 11.2 It is proposed new contract(s) be procured for a period of two years with two possible extension periods each of 12 months. In total the proposed contract value is estimated to be in the region of £1.73 million.
- 11.3 Cheshire East is running its "own tender" EU procurement exercise using the Chest system. This provides the flexibility to run a single exercise, but the opportunity to split the Borough into 12 regional 'lots' in order to make the opportunity more appealing to any SME organisations operating in this area 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 2015 the procurement process has already begun.
- 11.4 The tender documents include clear requirements re traceability procedures. As a result, you can identify not only which farm a certain cut of meat has been bought from and the school it has gone to but also the individual animal involved. As a result the risks associated with any future issues regarding traceability – for example, 'horsemeat in burgers' - should not affect the Council

## **12.0 Access to Information**

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

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