

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 05 October 2023
Subject:	Awarding of Frozen Food Contract to a supplier on behalf of Catering Services	
Report of	Cabinet Member for Corporate Affairs and HR	

Summary

1. Bury Council's Schools Catering team serve over 10,000 meals per day across 55 Schools within the borough of Bury.

To ensure that the meals provided are of the best value and of a high quality to ensure school food compliance, food suppliers must be procured under strict regulations.

YPO (Yorkshire Purchasing Organisation) offer food supply frameworks to support local authorities which need to get best value for money and a consistent quality.

The catering team have used the 001114 Food Deal 2 Framework, procured by YPO in compliance with the Public Contracts Regulations 2015 plus a further price benchmark.

This Price Benchmark invited Tenders from all Suppliers who were successfully awarded onto the relevant Lot(s) of the Food Deal 2 Framework as a Call-Off Contract for the supply of Frozen food. Suppliers from the following Lots were therefore invited to take part:

Frozen lot 1

The Call-Off Contract covers the period from 06/10/23 to 03/09/25 with 2 options to extend for an additional 12 months (2+1+1). The first decision to extend the contract period will be taken by the end of June 2025 and will be dependent on satisfactory completion of all aspects of the contract to date, the current market conditions for this Lot and Bury Council's contracting structures. The maximum contract period will therefore be 4 years from 06/10/23 to 03/09/2027 subject to an annual review, incorporating price negotiations and Key Performance Indicators.

The Call-Off Contract has an estimated value of £2,200,000 for the maximum life of the contract (4 years). The supply will be to 55 school kitchens. The core service is currently provided 38 weeks a year and is fully paid for by schools through their SLA (Service Level Agreement) charge.

There are also meals provided as part of HAF (Holiday Activity Fund) which is an initiative to provide meals to children entitled to free school meals who take part in organised activities during school holidays.

A "Shopping Basket" for the price evaluation was used. This shopping basket contained the most frequently purchased items, although it will not have been an exhaustive list. The service reserve the right to buy any additional products from the awarded supplier where these products fall within the same product lot/lots.

This is at the winning supplier's best delivered price.

The following highlights the breakdown of how the suppliers were scored to ensure cost, quality, and social value / sustainability.

PRICE BENCHMARK AWARD CRITERIA	
CRITERION	PERCENTAGE WEIGHTINGS
Cost – 60%	A score was determined following evaluation of the shopping basket in this benchmarking exercise.
Quality – 30%	The full score was carried forwards from the initial tender evaluation. This section was not re-opened during the benchmark.
Social Value/Sustainability – 10%	The full score was carried forwards from the initial tender evaluation. This section will not re-opened during the benchmark.

The scores for each supplier who chose to bid were:

Scores

Suppliers	% Quality - Out of 30	% Social Value - Out of 10	Price	Total
Dunsters Farm	21.3	7.4	40	68.7
Harlech Foodservice	15	6.7	50	71.7
Hopwells Limited	25.5	8	57	90.5
JJ Food Service	24.6	7	60	91.6
Trevor's Warehouses	23.7	7.8	54	85.5

Following the agreed score mechanism and weightings JJ Food Service scored the highest.

Social Value

Social value of the tender exercise equates to 10% of the scoring. Social value in all tender submissions included the environmental improvement and protection with support around food waste reduction, use of sustainable food production and the reduction of carbon emissions through all their delivery vehicles.

All submissions were clear with human rights as well as equality and diversity commitments.

Hopwells scored the highest in social value as they were able to demonstrate excellent skills development in conjunction with the training and development of the catering team's priorities and included food demonstrations and extensive support. Trevor's Warehouses were also able to demonstrate good social value but were not as specific as Hopwells.

Harlech Food Services scored the lowest as their social value was not as specific as the other suppliers.

Dunster's Farms were able to demonstrate good skills development but were not as specific as Hopwells with their offer.

JJ Foods were able to offer skills development, training and development of the teams for allergens and hygiene. They demonstrated the use of sustainable packaging and the move to electric vehicles.

Although Hopwells were able to demonstrate the highest social value, the quality and cost of their products did not bring them to the highest score overall.

Volumes of orders

As schools academise, some schools may decide to either take their catering service inhouse or explore using another operator. Due to this uncertainty all suppliers have ensured that there is no restriction or commitment to order agreed volumes. Volumes and ordering levels are planned to be reviewed annually as part of the contract management.

Recommendation(s)

2. It is requested that Cabinet authorises the award of the frozen food supply contract to JJ Food Services for the period stated.

Reasons for recommendation(s)

3. JJ Food Service achieved the highest scores across the three criteria as to cost, quality, and social value/ sustainability . It is therefore best placed to meet the needs of the catering provision as well as supporting the Council's strategic priorities and meeting the relevant governance and legal requirements.

Alternative options considered and rejected.

4. The Schools Catering team could revert to the AGMA (Association of Greater Manchester Authorities) preferred supplier, to which Bury Council can access; Dunster's Farms, however using Dunster's would not represent best value or quality as they achieved the lowest overall score of the five bidders who submitted bids in the Council's tendering exercise.
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Links with the Corporate Priorities:

5. Awarding JJ Food Service supports lower cost food but meets the compliant school meal standards and therefore supports the Catering Service to provide quality school meals. Quality school meals support better learning and provides better meals for those entitled to free school meals which supports better health and wellbeing.

Continued cost control within the catering service through sustainable procurement whilst awarding local suppliers supports economic growth in the borough.

Continued viability of the catering service through diligent cost control supports employment of over 280 staff, who are predominantly female, in lower paid employment. Through viability of the service, they can access improved learning and development which support skills improvement, and links to economic growth and supports improved health and wellbeing outcomes.

Equality Impact and Considerations:

A full EIA has been conducted with mostly neutral and some positive impacts identified. There are no negative impacts arising from this activity. This is available upon request.

Environmental Impact and Considerations:

6. Awarding JJ Food Service, who is a local supplier will support decarbonisation as distance travelled to deliver will be low.

Improved food quality supports less food waste which also supports improved cost control.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Not awarding to JJ Food Services would result in the catering service having to use AGMA awarded Dunster's Farm for frozen food, this would create increased food costs.	Award the contract based on 2+1+1 years will full reviews of the contract annually.

Legal Implications:

The tender exercise carried out by the Council's Commercial Services department utilising the YPO Food Deal 2 Framework is compliant with both the Council's Contract Procedure Rules 2022 and the Public Contracts Regulations 2015.

Financial Implications:

Costs are fully recovered through the catering SLA. JJ Food Service not only scored highest overall but also on price. Whilst there is an indicative cost within the report actual costs will be determined based upon products and quantities bought. The catering service is also reviewing its stock control and ordering system to ensure that food wastage is minimised and tight stock control is maintained.

Appendices:

None.

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
YPO	Yorkshire Purchasing Organisation
HAF	Holiday Activity Fund

SLA	Service Level Agreement
AGMA	Associated Greater Manchester Authorities
Shopping Basket	List of most used food items that are compared during the tender process
EIA	Equality Impact Assessment
Call Off Contract	Contract based on a period of time and of a forecasted value