

Title: Food Supply Contract	
Ward: All	Cabinet lead: Cllr Craig
Author: Rob Logan (Procurement) Sue Finch (Trading with Schools)	Job title: Procurement and Commercial Relations Manager Resource Manager

Revenue Cost: £661k	Source of Revenue Funding: <i>Council services purchasing food</i>
Capital Cost: £NIL	Source of Capital Funding: <i>N/A</i>
One off <input type="checkbox"/>	Saving <input checked="" type="checkbox"/>
Ongoing <input checked="" type="checkbox"/>	Income generation <input type="checkbox"/>
Finance narrative: The costs of this contract vary according to demand from individual Council services (e.g. Adult Meals, establishments that sell food to the public). The contract has no minimum order value, so a loss of budget in one service can be absorbed by a reduction in the amount ordered.	
Finance Officer: David Tully, Finance Business Partner	

Summary of issue / proposal:

Several City Council services purchase food, either for consumption by service users (e.g. Adult Meals Service) or for retail sales to the general public (e.g. kiosks in parks).

Summary of proposal & options appraisal:

This report seeks to secure food supply for City Council Services, which BCC provides.

Approval is requested to initiate a procurement process for the future requirements of Bristol City Council food supply, where BCC provide this service directly.

Recommendation(s) / steer sought:

1. To approve the extension of the existing arrangements until 31st March 2018.
2. To approve the development of new food supply contracts from 1st April 2018 to 31st March 2022 and to delegate the authority to award new contracts to the Strategic Director of People, in consultation with the Cabinet Members for the relevant portfolios.

Background:

- The previous Bristol Food Supply Contract was originally procured in 2012. It is a framework agreement to supply a range of commodities for a number of council services. The contract was awarded for 3 years with a 1 year extension option being taken up.
- The services utilising the existing contract include the Meals Service for adult care service users, Kiosks and cafes in Parks used by the general public and a small number of schools.
- Cabinet approval was granted to retender this contract in April 2015 and Trading with Schools had been working to complete this process in readiness for the start date of the new contract i.e. May 2016. This process was delayed due to emerging factors including uncertainty around the future of some Bristol City Council services due to budget constraints and other models of delivery already in existence.

- In order to ensure the continuity of supply, the current arrangements with the existing suppliers were extended under the terms and conditions of the original contract. See Appendix A for further background information
- A fresh procurement process will be undertaken to secure food supply for City Council services, for implementation on 1 April 2018. This will include:
 - Contracts for frozen food, groceries and catering consumables
 - Contracts or a Framework for fresh meat, fresh fruit & vegetables, and dairy.
- The City Council is currently reviewing potential mechanisms for supply of fresh food that will contribute to social value. The City Council is named on a sub-regional Dynamic Purchasing System Framework for the supply of fresh food (meat, fruit & vegetables, milk) procured by Bath and North East Somerset Council, and officers are investigating whether this approach would offer value for money compared with a separate procurement, and whether such an approach would provide social value for Bristol.

Public Health impact:

- For many years, Public Health, with support from the Sustainability Team, have been working to raise standards and achieve some consistency in the provision of healthy and sustainable food in BCC's food supply and catering contracts.
- Public Health wholeheartedly support BCC adopting a mechanism for supply of fresh food that will contribute to sustainability, social value and provision of healthier food. Having looked at the sub-regional Dynamic Purchasing System Framework for the supply of fresh food (meat, fruit & vegetables, milk) procured by Bath and North East Somerset Council, we would support BCC using this, as they are already named as potential users.
- This supports Public Health Outcomes Framework and the Health & Wellbeing Strategy (*achieve a healthier, more sustainable, more resilient food system for the city to benefit the local economy and the environment*).
- It is also in line with BCC's commitment to:
 - DEFRA and PHE - Public institutions are obliged to be meeting the Government national standards in: A Plan for Public Procurement: Food & Catering (2015)
 - Bristol Good Food Action Plan 2016
 - Bristol's Sustainable Food City Award 2016
- This mechanism for food supply should also facilitate the fulfilment of appropriate standards for healthy sustainable catering in the relevant outlets (currently H&SC Meals Service, Parks, and some schools). This includes the Soil Association 'Food For Life Served Here' accreditation and the Bristol Eating Better Award Scheme.

City Outcome: A city where life chances and health are not determined by wealth and background

Health Outcome: Provision of health food.

Sustainability Outcome: Supporting the economic, social and environmental well-being of the city, notably through social value.

Equalities Outcome: The extension of the current contract has low relevance for the Public Sector Equality Duty. Wanda Knight, Equalities and Community Cohesion Officer, 29/8/17.

Impact / Involvement of partners: Potential for consolidated procurement with other local authorities was being explored.

Consultation (to be) carried out: Principal users of food supplies.
Summary of outcome of consultation: Strong support for this supply contract to be procured. Recognition that the size and shape of this contract will be impacted by the City Council's changing requirements as a provider of services. Some interest in a more flexible supply base.
Change resulting from consultation: Investigation of a range of procurement models.

Legal Issues:
An extension of the current supply arrangement is sought to allow the service to continue whilst a procurement exercise is undertaken for a new contract. I understand that the original contract (included any permitted extensions) expired in April 2016 and arrangements have continued on an informal basis since then. Any extension of the service beyond the permitted term would be regarded as a direct award of a new contract, and should be procured in the normal way, unless falling within regulation 32 of the Public Contract Regulations 2015. Regulation 32 would permit the Council to award the contract directly (by way of negotiation with a single provider) in circumstances of genuine urgency. In this instance there has been some delay in the procurement due to a number of factors. If the delay is not attributable to factors within the Councils control, then it may be that this can be relied upon as a reason for awarding the contract directly and minimise any risk of challenge. Any award of the contract by negotiated procedure should only be for a period sufficient to allow an open and transparent EU compliant procurement process.

A decision has yet to be made with on substantial contract and how this will be procured, however any procurement should be conducted in accordance with the PCR 2015 and have input from procurement and legal.

Legal Officer: Eric Andrews, Solicitor, Commercial and Governance Team
Date: 06.09.2017

DLT sign-off	SLT sign-off	Cabinet Member sign-off
People DLT 6/9/17 Neighbourhoods DLT 6/9/17	19/9/17	Cllr Craig 18/9/17

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Exempt Information	NO

APPENDIX A

CONTRACT BACKGROUND – BRISTOL FOOD SUPPLY CONTRACT

The initial framework contract was procured in collaboration with Bath & North East Somerset Council. It was established to provide a range of commodities for council services that provide mainly catering in schools, Residential Care Homes, Day Centres and offices. The contract was awarded in 2012 for 3 years and the 1 year contract extension option was taken up and the contract would have expired in April 2016, had it not been extended.

The Bristol Food Supply Contract will continue to be managed by Trading with Schools until 31st March 2018.

The services utilising the current contract include the Meals Service for adult care service users, Kiosks in Parks used by the general public and a small number of schools.

The current categories are:

Category	Spend p/a.
Frozen Foods	£101,531.55
General Groceries	£288,974.55
Fresh Fruit & Veg	£60,235.02
Catering milk and Bread	£74,196.00
Fresh Meat & Poultry	£48,972.96
Other	£87,063.04
TOTAL	£660,973.12