

## **Cabinet – 13 January 2010**

### **Meat and Meat Products Contract**

**Portfolio:** Councillor Arif, Business support services  
Councillor Walker, Children's Services

**Service:** Catering Services

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary of report**

The Council currently has several contracts for the provision of food. These are broken down into frozen food, milk and dairy products, ambient products, chilled products, and meat and meat products.

The contract for meat and meat products was originally awarded to Clintons Quality Foods and would have expired on April 30<sup>th</sup> 2011. Clintons went into liquidation on July 6<sup>th</sup> 2009. Due to the unforeseen nature of the collapse, emergency powers were sought and gained to approach and use Grosvenor Fresh Foods on a six month temporary basis, to ensure continuity of supply whilst arrangements could be put in place for replacement contracts.

A range of options have been considered for the continuity of the service, as set out in paragraph 3.

#### **2. Recommendations**

1. That Cabinet notes the intention to make use of an existing framework contract between Sandwell Council and Welsh Brothers, to supply meat and meat products to Walsall Council from February 1<sup>st</sup> 2010 until July 31<sup>st</sup> 2013, and
2. That authority be delegated to the Executive Director, Neighbourhoods, in consultation with the portfolio holders to approve the acceptance of the Framework Contract and Walsall Council entering into it under its official seal.

### **3. Background information**

The Council currently has a contract for the provision of food broken down into frozen food, milk and dairy products, ambient products, chilled products, and meat and meat products. Walsall's Catering Services is the main user of the contracts and currently directly provides the catering provision for eighty-two primary and secondary schools throughout the borough, the Town Hall Restaurant in Walsall town centre and the canteen at the Norfolk Place depot. In addition Social Care also purchase food to support their service delivery from this contract.

The contract for meat and meat products was originally awarded, following a robust EU procurement process, to Clintons Quality Foods and would have expired on 30 April 2011. Clintons Quality Foods went into liquidation on July 6<sup>th</sup> 2009. Due to the lack of notice in the collapse of the original contract, emergency powers were sought to approach and use Grosvenor Fresh Foods on a six month temporary basis to ensure continuity of supply.

Three options have been considered, these being to:-

1. Fully re-tender the meat and meat products contract and award a new contract at the earliest opportunity,
2. Continue with the existing Grosvenor Fresh Foods contract on a month-by-month rolling contract extension, or
3. Enter into an existing framework agreement with Sandwell Council that they have with Welsh Brothers until July 31<sup>st</sup> 2013.

Procurement officers advise that a month-by-month rolling extension to the Grosvenor Fresh Foods contract is not permissible under EU regulations as the Council will exceed the procurement threshold of around £130,000 over the life of the contract and the emergency delegated authority was for a finite period. As a result, a new legally compliant Framework is required. Sandwell Council's Framework Agreement for Meat has been reviewed by Corporate Procurement and they are confident that the legal requirements are in place for Walsall to be able to utilise the contract.

In addition, benchmarking has been undertaken against current market prices and the Sandwell Framework offers a very favourable option. Sampling is currently being undertaken. Site visits are currently being arranged by Procurement for the appropriate Walsall Officers, although Sandwell completed these as part of there evaluation earlier this year with no issues highlighted. There is also an element of flexibility within the contract with regards to delivery dates, pack sizes and labelling. A meeting has already been held between Procurement, Catering, Sandwell Council and Welsh Brothers. There were no indications made by any party that there would be any service delivery issues when completing the complex nature of the Council's requirements

#### **4.0 Resource considerations**

##### **4.1 Financial:**

The Council spent approximately £195,000 on meat and meat products in 2008/9 although there is no guarantee that this will be the same in future years. The amount of fresh meat bought varies in-line with the volume of meals sold and delivered particularly through Free School Meals. The new tender will seek to provide savings wherever possible by consolidating council-wide meat requirements, rationalisation of deliveries into sites, product type and sizes.

##### **4.2 Legal:**

When Clintons Quality Foods went into liquidation, officers had to respond very quickly to ensure the continued supply of meat not only for the last three weeks of the school summer term but also have a provider in place for the Autumn term commencing in September 2009. As a result the Council put an interim six month contract in place with Grosvenors Fresh Foods following consultation with Legal Services as this arrangement kept the contract below the EU threshold. The existing EU threshold needs to take into consideration the total aggregated contract value to ensure that it does not exceed £130,000 over the life of the contract.

##### **4.3 Staffing:**

There is no staffing impact.

#### **5. Citizen impact**

The new meat contract will continue to ensure that the government's new standards for food in schools will continue to be delivered. This will have a positive impact on the health and wellbeing of children and young people within the borough as well as supporting the "Every Child Matters" framework, a contribution being made towards tackling childhood obesity, consuming five portions of fruit and vegetables a day and increased physical activity levels.

#### **6. Community safety**

Quality assurance will be built into the contract to ensure that the food is fully compliant with all current food, health and safety regulations to protect the end consumers and their safety.

## **7. Environmental impact**

An assessment weighting for sustainability will be built into the tender evaluation process which will take into account the objectives of the Public Sector Food Procurement Initiative. This will include the use of local producers, the reduction of “food miles” and encouragement of fewer deliveries into the council’s delivery locations. The new contracts will also seek to use appropriate technologies to reduce the number and scale of paper transactions which will also provide operational efficiencies.

## **8. Performance and risk management issues**

### **8.1 Risk:**

The Council’ should not continue to carry on the existing meat and meat products contract on a month by month basis as this was only on an emergency six month contract. The supplier could choose to increase its prices due to the uncertainty of the arrangement the Council would therefore not be achieving good value for money.

Failure to put in place legally compliant frameworks places the council at risk from challenge under the recently introduced remedies legislation whereby aggrieved people can complain and have contracts made ineffective and financial penalties imposed by the courts.

### **8.2 Performance management:**

Performance management is built into the contract management element of the tender documentation, to enable procurement to monitor the contract to ensure that it continues to meet the required objectives. The appropriate levels of risk and indemnity will be required and evaluated within the tender submissions.

## **9. Equality implications**

Catering Services provide school catering to all children who choose to buy or take a meal through their Free School Meal entitlement.

## **10. Consultation**

Consultation has already taken place with Sandwell Council, Walsall’s Procurement Services and the Council’s Catering Management.

## **Background papers**

None

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4 January 2010



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