

NORTH SOMERSET COUNCIL DECISION

DECISION OF: COUNCILLOR FELICITY BAKER. THE EXECUTIVE MEMBER FOR COMMUNITY SERVICES AND SAFETY, TOURISM AND LEISURE, CORPORATE COMMUNICATIONS, CUSTOMER SERVICES, LIBRARIES AND LICENSING.



WITH ADVICE FROM: THE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

DECISION NO: 18/19 DE 196

SUBJECT: COMMISSIONING / PROCURMENT PLAN FOR THE PROCUREMENT OF FOOD.

KEY DECISION: NO

BACKGROUND:

This procurement supports the council's outcome of Prosperity and Opportunity by driving growth in the North Somerset economy and local jobs.

Food for the Bay Café, Castlewood Canteen, The Campus, Somerset Hall and The Tropicana is currently purchased on an ad hoc basis across a wide range of suppliers. Approximately 45 suppliers are used, none of which are under contract. There is a need to improve compliance and to ensure quality/price of the produce the council is receiving meets an agreed standard. The opportunity to collaborate with Somerset County Council has been explored, detailed below, and is the preferred choice of route to market.

DECISION:

It is requested that this Commissioning/Procurement plan be approved to proceed

REASONS:

Requirement

The Council is tendering for the supply of meat, fish and seafood, dairy, fruit and vegetables, ambient goods and kitchen supplies and frozen food. Food is to be supplied to the following venues:

- Bay Café, Weston-super-Mare
- The Tropicana, Weston-super-Mare
- Somerset Hall, Weston-super-Mare
- Castlewood Canteen, Clevedon

The Contract may additionally require the Contractor to supply, or facilitate the supply of goods for tasting events and specialist events.

Food Lots to be included:

Lot Number	Title
1	Meat
2	Fish and Seafood
3	Dairy
4	Fruit and Vegetables
5	Ambient Goods and Kitchen Supplies
6	Frozen Food

The decision to use this Contract will be at the sole discretion of individual Council properties.

The Council wish, where possible to work with its Contractors to reduce food miles for each Lot within this Framework. The Council require where specified, local produce sourced from within the South West Region of England. As well as basic quality produce, locally sourced produce is required for Lots 1-3 (meat, fish/seafood and dairy) and Applicants will be required to price this accordingly within a Pricing Schedule. The Contractor would be required to provide the Council with full traceability of meat products, identifying local farms and how the animal is reared, including whether the product is free range or organic. The Fish and Seafood Contractor would be required to source fish from a South West port or harbour and where possible from day boats.

Additional notes:

- TUPE does not apply
- No specific lessons learnt have been identified due to this service not being tendered before. No contracts currently in place.

Route to Market

To carry out a collaborative open tender with Somerset County Council for a two-year contract, plus two years extensions to be taken in twelve-month segments.

Timescales

Issue OJEU Notice	24/08/2018
Publish Tender	28/08/2018
Supplier Deadline	01/10/2018
Evaluation	02/10/2018 – 06/11/2018
Award	13/11/2018 – 05/12/2018
Contract Start Date	01/01/2019

Governance

Contract Management will sit with the Campus and Halls Manager.

This Commissioning / Procurement plan and award will be approved by Executive Member advised by the Head of Procurement. The contract award will be approved by the Director.

Market/Suppliers

A series of initial market engagement meetings have been held, and together with additional market analysis and research work, it has been established that there is sufficient competition within the local area. It is considered that North Somerset's spend collectively

with Somerset County Council is highly attractive to the market, whilst not being too large to limit overall competition.

The preference on local means suppliers are likely to be within a limited drive distance to the local area due to the influence on delivery times.

Benchmarking of prices will be carried out to see how North Somerset's prices compare with what prices Somerset are currently receiving. This will also be used as a comparison during the evaluation of the pricing schedules.

Social Value, Sustainability & VCSE

A social value question will be included in the quality submission to understand from the suppliers as subject matter experts what social value they could realistically offer as part of this contract. Outcomes that the Council will be seeking are; increased use of local supply chain, reducing negative and promoting environmental impacts, and promoting health and well-being. The Council will provide a requirement for social value to be incorporated and committed to throughout the life of the contract. This will be added to the Social Value register and followed up to ensure the supplier is delivering the requirement.

The specification has also put emphasis on reducing packaging, reducing food miles and consolidating deliveries where possible.

Evaluation

The following criteria and weightings will be applied in the evaluation.

Evaluation criteria breakdown	Means of evaluation	
	Sub criteria	Main criteria
Quality Method Statement Responses		30%
Price		70%
Basket Price	50%	
Sampling	20%	

The above weightings were replicated from a food tender recommended by the Houses of Parliament. It will be on this basis that the Council will award the Contract to the highest scoring Applicant.

All questions within Method Statement will be evaluated in accordance with the following scoring guidelines, supplied by Somerset County Council:

Score	Scoring guidelines
0	No response or response does not meet requirements at all.
2	Response partially meets requirements, but contains material weaknesses, issues or omissions and/or inconsistencies.

4	Response almost meets requirements to a minimum acceptable standard, but contains some weaknesses or omissions.
6	Response meets requirements to a minimum acceptable standard, but does not exceed them.
8	Response is of a good standard. Comprehensive, robust and well justified showing full understanding of requirements.
10	Response meets and exceeds requirements to an excellent standard, with clear and credible added value and/or innovation.

The evaluation team will include the manager of The Campus and the manager of the Bay Café, alongside three representatives from Somerset County Council. Procurement officers from Somerset and North Somerset will be managing and moderating the process.

Contract Management

The service contract manager will be managing the contract. Contractor performance will be managed to ensure quality and they will be measured through a set of KPI's to ensure standards are being upheld.

The key performance indicators underpinning this Contract are:

KPI	Target	Method of measurement
Number of orders delivered on time	The provider must meet a minimum of 95% the scheduled times	Monthly KPI report
Number of complete orders received in full	The provider must meet a minimum of 95%	Monthly KPI report
Detailed spend report	100% of reports sent to Category Manager within ten working days.	Monthly KPI report

The Contractor must be able to provide an Account Manager who will be the nominated single point of Contact and who can offer assistance and support to manage this Contract on the Contractors side.

OPTIONS CONSIDERED:

1. Mini competition from a national Framework eg ESPO

Advantages

- Quick as suppliers are pre-qualified.

Disadvantages

- Limits suppliers - not all incumbent suppliers able to bid
- Not SME/Local friendly
- Product list does not cover all requirements.

2. Collaboration with Somerset County Council

Advantages:

- Benefit from economies of scale - Somerset's spend (£375,000 PA) is higher than North Somerset's (£208,000 PA), and collectively the Councils are much more attractive to the market and more likely to create a saving.
- Similar values – Somerset have agreed 'Local' is an important factor and this has been emphasised in the tender documents.
- Somerset have adapted the specifications to ensure North Somerset Council's requirements are included.
- Somerset have invested a great deal of time and resource into researching the market, supplier events and tender document preparation. This is a great opportunity to tap into their resources.

Disadvantages

- Alcohol and soft drinks will need to be tendered separately as SCC already have a contract for this in place which North Somerset is not named on.
- Due to the high level of spend and wide product range, this may prevent SMEs from being able to bid.

3. North Somerset Open Tender

Advantages

- More control over the tender documents and the evaluation process
- More attractive to SMEs as the volumes are smaller.
- Alcohol and soft drinks could be included

Disadvantages

- Less spend – less attractive to suppliers and therefore will not benefit from economies of scale.
- Higher risk of price increase
- Legal fees required in the development of contract documents.
- More Procurement & Contract Manager time and resource required to conduct tender.

4. No procurement

- Non-compliance with the Contract Standing Orders.
- May not be getting value for money
- Using the suppliers' Terms and Conditions
- Missed opportunity to support local produce, animal welfare, sustainable packaging etc.
- Not specifying the quality standards for the products.
- Not using approved suppliers who have been checked and have passed our evaluation process.

Recommendation:

The recommended option is Option 2, collaboration with Somerset County Council.

FINANCIAL IMPLICATIONS:

Costs

Annual value, including alcohol is £263k.

Annual value, excluding alcohol is £208k.

The Bay Café has the highest level of spend. Please see below breakdown of spend per venue (12 months Spend Feb 2017 to Feb 2018).

Including Alcohol

Castlewood Canteen	£37,260.84
Somerset Hall	£15,706.59
The Bay Cafe	£129,959.45
The Bay Events (Tropicana)	£52,312.88
The Campus	£27,878.25
Total	£263,118.01

Excluding Alcohol

Castlewood Canteen	£37,260.84
Somerset Hall	£2,015.75
The Bay Cafe	£128,781.72
The Bay Events (Tropicana)	£12,368.45
The Campus	£27,878.25
Total	£208,305.01

Spend has been difficult to analyse due to the lack of a formal process currently in place and the wide range of suppliers used. By getting a contract in place the transparency of spend and audit trail of spend will increase dramatically (see KPIs).

Between North Somerset Council and Somerset County Council some soft market testing has been conducted and indicates that spend will not increase, however, a saving cannot be guaranteed. By collaborating with Somerset, North Somerset's buying power will greatly increase which will provide the best opportunity to reduce prices.

Funding

N/A

LEGAL POWERS AND IMPLICATIONS

The council will be using a compliant process under the Public Contract Regulations 2015. Somerset County Council's Terms and Conditions will be used for this tender. The Terms and Conditions will be checked by legal to ensure North Somerset Council are happy with them.

CONSULTATION

NSC Service lead and Contract Manager

Bay Café Manager

Procurement lead from Somerset County Council

Market Engagement days – Local food suppliers

RISK MANAGEMENT

Risk of no procurement:

- Not compliant with the council's Contract Standing Orders.
- May not be getting value for money
- Risk of no Terms and Conditions in place
- Missed opportunity to support local produce, animal welfare, sustainable packaging etc.
- Not specifying the quality standards for the products.
- Not using approved suppliers who have been checked and have passed our evaluation process.

The mitigation is to carry out a compliant procurement process.

Risk of price Increase

The mitigation is ensuring a high weighting towards price. The Tender will be weighted 70% towards price, plus prices received will be benchmarked against prices paid in 2017 (whilst considering inflation). Also, there is no strict obligation to use the preferred supplier if the person purchasing can prove they can source produce of equal standard at a better price. In such cases, this will be monitored and reported on.

Risk of few bidders.

The mitigation is the carrying out of market engagement to stimulate interest. The opportunity will be advertised in the OJEU, Contracts Finder and Supplying the South West.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

A stage 1 EIA form has been completed indicating a low impact. The form has been sent to the Equality & Diversity Team for review.

CORPORATE IMPLICATIONS

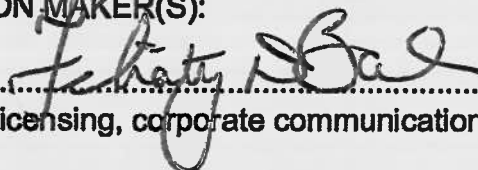
The contract will continue to be managed by the Campus and Halls Manager .

BACKGROUND PAPERS

N/A

SIGNATORIES:

DECISION MAKER(S):

Signed:  Executive member for community, tourism and leisure, licensing, corporate communications, electoral services, and libraries

Date: 20-8-18

WITH ADVICE FROM:

Signed: *M. Burip* Director of Development and Environment (In accordance with Minute No. COU11 Council Meeting 8 May 2018)

Date: *20/8/18.*