



Oldham
Council

Report to CABINET

Approval to utilise the GMCA Contract for the Supply & Delivery of Groceries, Chilled and Frozen Foods

Portfolio Holder:

Cllr Arooj Shah, Leader of the Council and Portfolio Holder for Reform & Regeneration

Officer Contact:

Emma Barton, Executive Director for Place & Economic Growth

Report Author: Paul Osbaldiston, Corporate Facilities Manager

Ext. 3938

21st August 2023

Reason for Decision

To call-off under the GMCA (Greater Manchester Combined Authority) contract for the supply & delivery of groceries, chilled and frozen foods and enter into a call-off contract with Dunsters Farm Ltd who, following a competitive tender process, were identified as the winning bidder.

Executive Summary

Trafford Council on behalf of GMCA led on the retender of the contract for the supply and delivery of the groceries and chilled and frozen foods. The procurement process undertaken by Trafford was carried out in accordance with the Public Contract Regulations 2015 and identified Dunsters Farm Ltd as the most economically advantageous tenderer. Oldham Council was named as a purchaser in all the tender documentation and within the Contract Notice advertised on the Chest Portal, Contracts Finder and Find a Tender. Trafford Council will enter into an overarching contract with Dunsters and Oldham Council will have the right to access this contract and place orders for the Supply & Delivery of Groceries, Chilled and Frozen Foods.

During this financial year, Trafford Council are intending to undertake the re-procurements of the following contracts to ensure continuous and stable service delivery and value for money:

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- Supply & Deliver of Fresh Produce and Chilled Prepared Produce
 - Supply & Delivery of Fresh and Freshly Frozen Meat, including Halal, Cooked Meats and Bacon
 - Supply and Delivery of Milk, Bread, and Dairy Products

Each of the above will be procured in accordance with Trafford Council's contract procedure rules and the Public Contract Regulations 2015 and the tender processes will be managed via STaR procurement. Oldham Council will be named as a purchase in the tender documents.

Oldham Council have made a commitment to source supplies under these contracts which may bring multiple benefits including greater efficiency, economies of scale and reduced costs. To maximize the implementation period from contract award to the start date delegated approval is requested as detailed in the recommendations.

Recommendations

- To utilise the contract which Trafford Council will put in place and to enter into call-off contracts with Dunsters Farm Ltd for Oldham's required supplies as and when needed
- To delegate authority to Emma Barton (Executive Director for Place and Economic Growth] to approve and enter into all call-off contracts under the Trafford Council contract for the Supply & Delivery of Groceries, Chilled and Frozen Foods and to approve and enter into call-off contracts with the appointed suppliers in respect of the following once Trafford Council have procured and entered into overarching contracts for the:
 - Supply & Deliver of Fresh Produce and Chilled Prepared Produce
 - Supply & Delivery of Fresh and Freshly Frozen Meat, including Halal, Cooked Meats and Bacon
 - Supply and Delivery of Milk, Bread and Dairy Products

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1 Background

- 1.1 Trafford Council have had the position as lead authority on all contracts for the supply and delivery of food for several years and Oldham Council has consistently been a participating authority, taking advantage of the rewards collaboration brings such as economies of scale, greater efficiencies and reduced spend.

For many years Brakes Foodservice have held the contract for the Supply & Delivery of Groceries, Chilled and Frozen Foods, which has been modified and extended due to various events such as the coronavirus pandemic and Brexit; this contract is now due to expire on 31st August 2023.

Oldham Council have commissioned supplies via the GMCA food contract through Trafford Council for several years and have benefitted from good food services from Brakes, providing quality food to use in the Oldham School meal service at a realistic price knowing its part of a large GMCA contract. It is recommended that Oldham Council continues to take advantage of the lead authority model being utilized by Trafford Council and that it continues to use the shared service moving on from September this year.

2 Current Position

- 2.1 Trafford Council on behalf of GMCA ran an open tender process and advertised the opportunity on the Chest e-procurement portal, Contracts Finder, and Find a Tender Service. Oldham Council was a named participant in the tender documents. The tender was viewed by 14 organisations and tenders were received by 4 organisations.

The tenders were evaluated on the following criteria:

Quality – Relevant Experience & Expertise	5%
Quality – Contract Mobilization	5%
Quality – Methodology, Resources & Management	15%
Quality – Quality Assurance & Source of Supply	5%
Social Value	15%
Price	50%

The outcome of the evaluation process identified Dunsters Farm Ltd as the most economically advantageous tenderer.

The contract is to start on 1st September 2023 until 31st August 2029, however a break point has been included at 31st August 2026.

It is intended that the prices will be reviewed 6 monthly for years 1-3 of the contract then on an annual basis for years 4-6.

Several other food related contracts are due to expire on 31st December 2023:

Contract
Supply & Deliver of Fresh Produce and Chilled Prepared Produce
Supply & Delivery of Fresh and Freshly Frozen Meat, including Halal, Cooked Meats and Bacon
Supply and Delivery of Milk, Bread and Dairy Products

Trafford Council are again taking position as lead authority in the re-procurement process, of which Oldham Council have made a commitment to be included. Should a different supplier be appointed, maximizing the implementation period is essential in ensuring systems and procedures have been agreed prior to the start date. Therefore, delegated authority to Emma Barton (Executive Director for Place and Economic Growth)] to place orders and enter into call-off contracts under the contracts which Trafford Council will put in place for the above following completion of a compliant procurement process, is requested to enable this.

3 **Options/Alternatives**

3.1 **Option 1** – Do nothing. This would leave Oldham Council with no formal contract in place. This runs the risk of a further increase in costs, unstable service delivery and nonadherence of the Public Contract Regulations 2015. Due to the spend associated with this contract an alternative procurement process would need to be completed which would not guarantee any savings and may be less attractive to the market due to the lack of economy of scale.

Option 2 – Undertake a procurement process targeting local businesses to solely supply to Oldham Council. This is not a viable option at present as a review has not taken place on the local market position.

Option 3 – To utilise the GMCA framework and enter into a call-off contract with Dunster Farms Ltd. This would provide stability in the service area ensuring continuous delivery and fixed prices. Furthermore, a robust and compliant procurement process has been undertaken to identify Dunster Farms Ltd, reducing risk further to the Council.

Option 4 – On completion of a compliant procurement process by Trafford Council via STaR Procurement, to allow for delegated approval to enter into call-off contracts for:

- Supply & Deliver of Fresh Produce and Chilled Prepared Produce
- Supply & Delivery of Fresh and Freshly Frozen Meat, including Halal, Cooked Meats and Bacon
- Supply and Delivery of Milk, Bread and Dairy Products

This will allow the implementation period to be fully maximized ensuring that all systems are up to date, delivery schedules agreed and specific service requirements to be considered prior to the contract start dates.

4 **Preferred Option**

4.1 The preferred options are **Option 3 and Option 4.**

5 **Consultation**

- 5.1 GMCA Catering Group
Catering Managers from nearby Councils
Oldham Council Procurement

6 **Financial Implications**

- 6.1 Contained within the Part B Report (James Postle)

7 **Legal Services Comments**

- 7.1 Rule 4 of the Contract Procedure Rules allows for the provision of supplies via a compliant framework agreement which another contracting authority has put in place. All call-offs made under the framework would need to be in accordance with the terms of the framework agreement and in the form of contract prescribed by the framework agreement. Advice from the Commercial Procurement Unit and Legal Services should be taken as and when required to ensure procedures are followed. Regarding the future contracts which Trafford intends to advertise and put in place, confirmation of compliance by Trafford with relevant procurement procedures would be given to the officer with delegated authority prior to any call-off contracts being put in place.

(Sarah Orrell – Commercial & Procurement Solicitor)

8. **Co-operative Agenda**

- 8.1 Through the application of the GMCA Social Value requirements the tender aligns with the Council's Co-operative values. (Amanda Richardson – Policy Manager)

9 **Human Resources Comments**

- 9.1 None

10 **Risk Assessments**

- 10.1 No specific risk comments on this report (Mark Stenson)

11 **IT Implications**

- 11.1 In general, IT do not have any major comments about this. However, it is understood that the Council procured the CYPAD Catering system back in June 2018, used in school kitchens etc. This was without ICT involvement and is not a supported system by ICT and is presumed to still be operational. I would expect that catering / kitchen managers place orders for food using this system. It is therefore a question as to how new pricing under this GMCA agreement gets uploaded into the CYPAD system. This would need to be investigated by the 3rd party supplier of CYPAD which may involve interface costs unless all pricing is currently manually updated and is expected to continue to be done in the same manner. (Lindsey Al-Basri)

12 **Property Implications**

- 12.1 None

13 Procurement Implications

- 13.1 The Commercial Procurement Unit support the recommendation outlined in the report. The procurement exercise led by Trafford Council (via STaR Procurement) on behalf of other Greater Manchester authorities has been carried out compliantly in line with the Public Contract Regulations 2015 achieving both high quality and value for money. (Emily Molden)

14 Environmental and Health & Safety Implications

- 14.1 Health & Safety - Project manager to ensure suitable and sufficient risk assessments are in place for the chosen catering provider and ensure the chosen provider has an adequate food safety management system in place and necessary monitoring procedures for the storage and transport of chilled foods. Recommend a copy of the last food hygiene inspection report is obtained from the relevant Local Authority Food Safety Team. (For example, Dunsters Farm, Rochdale Environmental Health Team) (Lauren Wood)

- 14.2 Environment - The winning bidder, Dunsters Farm, is a local business based in Rochdale, which means that the environmental impact of supplying food to Oldham will be minimised. Dunsters also use local suppliers wherever possible and require their supply chain to work in line with their requirements for continuous improvement on sustainability. They have committed to use of sustainable packaging and employ “backhauling” (non-use of empty trucks) with 5 suppliers each week. They have a carbon reduction (Journey to Net Zero) plan and avoid using single-use plastics and polluting refrigerants. 100% of their profits from sales of water are being donated to City of Trees and have donated a piece of land to Life for Life, a memorial tree-planting service. Dunsters are aiming to achieve Carbon Literacy Bronze organisation status in 2023. They also have a Sustainability Roadmap for 2023 with monthly actions and will share their annual plans with the Council at the beginning of every year.

[Andrew Hunt, Green Energy & Sustainability Manager]

15 Equality, community cohesion and crime implications

- 15.1 None

16 Oldham Impact Assessment Completed?

- 16.1 Yes

17 Key Decision

- 17.1 Yes

18 Key Decision Reference

- 18.1 NEI-10-23

19 Background Papers

- 19.1 All the background papers are held within Trafford Council and they have procured the new contract in line with GMCA. Oldham council will reap the benefits of the tender

20 Appendices

- 20.1 Appendix 1 - Impact assessment attached for reference