



To: Procurement Sub Committee

On: 11 November 2015

Report by:

**Joint Report
by
The Chief Executive & Director of Community Resources**

Contract Authorisation Report: Fresh Bread & Rolls and other Fresh Bakery Produce

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub-Committee to award a framework agreement to D McGhee and Sons for the Supply and Delivery of Fresh Bread & Rolls and other Fresh Bakery Produce. The Council in collaboration with East Renfrewshire Council have a current framework agreement with D McGhee and Sons for this provision which is due to expire on 13 December 2015.
 - 1.2 This procurement exercise has been conducted in accordance with the above EU Threshold Open Procedure (Services) and the Council's Standing Orders Relating to Contracts.
 - 1.3 A joint contract strategy was completed approving a collaborative tender between Renfrewshire Council and East Renfrewshire Council in September 2015. A Minute of Agreement was prepared between both Councils which outlined each Council's roles and responsibilities and confirming that Renfrewshire Council would act as Lead Contracting Authority.
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2. Recommendations

2.1 It is recommended that the Procurement Sub Committee:

2.1.1 Authorise the Head of Corporate Governance to award a framework agreement to D McGhee and Sons for the Supply and Delivery of Fresh Bread & Rolls and other Fresh Bakery Produce.

2.1.2 Note the framework agreement will cover the period from 14 December 2015 up to 13 December 2017 with an option to extend for a further 1+1 years.

2.1.3 Note the total contract value across both councils is estimated to be £728,000 excluding VAT over the maximum four year period with spend pertaining to Renfrewshire Council being £488,000.

3. Background

3.1 The Council has a strategy to meet nutritional requirements and to improve both children and adult diets and contribute to improving mental health and longevity. To contribute towards the delivery of this service strategy, there is a requirement for the supply and delivery of Fresh Bread & Rolls and other Fresh Bakery Produce.

3.2 The tender opportunity followed the open procurement procedure for an above the EU threshold for goods in accordance with the Council's Standing Orders Relating to Contracts. A contract notice advertising the opportunity was sent to the Public Contracts Scotland portal and the Official Journal of the European Union (OJEU) on 18 September 2015. Tender documentation was available for immediate download through the online e-tender system.

3.3 Three (3) suppliers noted an interest of which one tender submission was received by the closing date for the receipt of tender submissions at noon, on 13 October 2015.

3.4 Tender submission was evaluated using a two stage process of Bid Selection and Award criteria. The tender submission was first evaluated by representatives from the Corporate Procurement Unit, Health & Safety and Corporate Risk against pre-determined Bid Selection criteria which assessed their compliance with the product specification, legislative and nutritional requirements, capacity, experience & track record, their insurance levels and financial capabilities.

3.5 D McGhee and Sons Ltd met all mandatory requirements as outlined above and were subsequently evaluated by an evaluation panel comprising Corporate Procurement Unit, Community Resources and representatives from East

Renfrewshire Council against a set of Award Criteria, based on a price / quality matrix of 80% price / 20% quality.

- 3.6 The quality weighting at this stage of the evaluation considered the service delivery offered and included a product sampling session to ensure the quality of the product.
- 3.7 Following the outcome of this evaluation, it was determined that D McGhee and Sons Ltd submitted a fully compliant tender submission and could meet the contract requirements.
- 3.8 The total score achieved by D McGhee and Sons Ltd is listed in the table below:

	Price (80%)	Quality (20%)	Total
D McGhee and Sons Ltd	80.00	18.08	98.08

- 3.9 D McGhee and Sons Ltd is the incumbent contractor for both Renfrewshire and East Renfrewshire Council for the supply and delivery of fresh bread and rolls and other fresh bakery produce.
- 3.10 D McGhee and Sons Ltd have committed to no price increases over the initial 2 year period of the Framework.
- 3.11 Savings from Renfrewshire Council utilising the framework will be in the region of £8,610.70 per annum.
- 3.12 Community benefits were sought at the inception of the framework agreement and D McGhee and Sons Ltd have committed to delivery of the following community benefits.

Outcomes/Activity	No of People/Activity
Jobs (Unemployed)	1
Trainee Position	1
Work Experience Placements (16+years)	1
Industry Awareness Days	1
Workplace Visits	2
Supply Chain Briefings with SME's	1
Business Support Social Enterprises, Supported	1

Businesses, Third Sector Organisations	
S/NVQ's or equivalent for existing Employees	1

Implications of the Report

1. **Financial** – The financial status of D McGhee and Sons Ltd has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that all tenderers have satisfied the Council's requirements in relation to financial stability.
2. **HR & Organisational Development** - None
3. **Community Planning** – D McGhee and Sons Ltd has a commitment to deliver a number of Community benefits under this framework as detailed in section 3.11 of this report.
4. **Legal** – The tendering procedures for the establishment of this framework were in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for Above EU Threshold Services contracts and the Public Contracts (Scotland) Regulations 2012, as amended.
5. **Property Assets** - None
6. **Information Technology** – None.
7. **Equality & Human Rights**
(a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – D McGhee and Sons Ltd health and safety submission has been evaluated by Renfrewshire Council's Health and Safety section. D McGhee and Sons Ltd have met the minimum requirements regarding health & safety.
9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures.
10. **Risk** – None

11. **Privacy Impact – None**

List of background papers

(a) None

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