

To: Finance, Resources and Customer Services Policy Board

On: 14 November 2018

Report by: The Chief Executive and the Director of Environment & Infrastructure Services

Heading: Framework Agreement for the Supply and Delivery of Fresh Fruit and Vegetables (RC-CPU-17-140)

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to enter into a multi supplier ranked Framework Agreement for the Supply and Delivery of Fresh Fruit and Vegetables, reference RC-CPU-17-140.
 - 1.2 The recommendation to award the Framework Agreement follows a procurement exercise which was conducted in accordance with the above OJEU Threshold Open Procedure for Supplies and the Council's Standing Orders relating to Contracts.
 - 1.3 A contract strategy was approved by the Director of Environment & Infrastructure and the Strategic and Commercial Procurement Manager in August 2018.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise:

- 2.1.1 The Head of Corporate Governance to establish a

Framework Agreement on behalf of the Council and Renfrewshire Leisure, for the Supply and Delivery of Fresh Fruit and Vegetables with the following three suppliers:

1. McLays Ltd;
2. Failte Food Services Ltd;
3. George Carruthers & Sons Ltd.

2.1.2 The anticipated commencement of the Framework on 7 January 2019 until 6 January 2021 with the Council reserving the option to extend this Framework Agreement on two separate occasions each of 12 months until no later than 6 January 2023.

2.1.3 The maximum Framework Agreement value of up to £500,000 excluding VAT for the initial two year term with an additional maximum annual value of £250,000 excluding VAT for each of the optional two separate extensions.

3. **Background**

- 3.1 The Council has a strategy to meet nutritional requirements to improve the diet of both children and adults and contribute to improving mental health and longevity. To assist in meeting this strategy there is a requirement to continue with the supply and delivery of fresh fruit and vegetables to various Council establishments including primary and secondary schools, early learning and child care centres, care homes and the atrium at Renfrewshire House. Organic, Fairtrade, fairly traded goods and locally sourced goods are optional offerings that are available from the three suppliers during the period of the Framework.
- 3.2 The Contract Notice was dispatched via the Public Contracts Scotland advertising portal to the Official Journal of the European Union (OJEU) on 14 August 2018 with the notice published on OJEU on 16 August 2018. Tender documentation was available for downloading from the Public Contracts Scotland – Tender platform. The Framework Agreement (the “Framework”) was issued on behalf of the Council and Renfrewshire Leisure Limited.
- 3.3 During the tendering period six companies expressed an interest in the Framework. By the closing date of 12 noon on 18 September 2018, three tender submissions were received.
- 3.4 The tender submissions were evaluated against a pre-determined set of criteria set within the European Single Procurement Document (ESPD) by representatives from Environment & Infrastructure, the

Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.

- 3.5 All three tender submissions complied with the minimum criteria of the ESPD and progressed to the evaluation Award Criteria, which was based on a weighting of 35% Quality and 65% Price. The outcome of this evaluation determined the ranking of the suppliers being placed on the Framework Agreement, as shown below:

		Quality (35%)	Price (75%)	Total (100%)	Ranked Position
1	McLays Ltd	29.50	62.16	91.66	1
2	Failte Food Service Ltd	26.25	65.00	91.25	2
3	George Carruthers & Sons Ltd	27.25	54.30	81.55	3

- 3.6 Call-off contracts for Goods will be ordered under the Framework via direct award and according to ranking to the supplier ranked first. Should this supplier be unable to deliver the order, the order would then be offered to the supplier ranked second, and so on. Pricing and, therefore, the ranking will remain fixed for the first 12 months. After the first 12 months suppliers have the opportunity to offer revised pricing and thereafter Suppliers on the Framework may be re-ranked based on any revisions to the pricing.
- 3.7 It is anticipated that the first ranked supplier, McLays Ltd will receive the majority of the call off contracts in the first year.
- 3.8 Community benefits were requested as part of the procurement process. The first ranked supplier, McLays Ltd have committed to delivery of the community benefits as shown below. The second and third ranked suppliers have also committed to delivery of community benefits should they receive a higher proportion of the orders under this Framework than is currently anticipated.

Community Benefit Description – McLays Ltd	No of People / Activity
New Entrant	2
Apprenticeship	2
Work Experience Placements (14-16 years of age)	2
School Visits	2

Implications of the Report

1. **Financial** –The majority of the costs under the Framework Agreement, approximately £880,000, will be met by the Soft FM revenue budget with approximately £120,000 being met by Children's Services and Renfrewshire Leisure Limited.
2. **HR & Organisational Development** – No TUPE implications have arisen or are anticipated.
3. **Community/Council Planning** – The contract will help to meet nutritional requirements to improve the diet of the local community and contribute to improving mental health and longevity.
4. **Legal** - The procurement of this Contract has been conducted in accordance with Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
5. **Property/Assets** – N/A
6. **Information Technology** - No Information Technology implications have arisen or are anticipated
7. **Equality & Human Rights** - 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** – The three suppliers' health and safety documentation was evaluated by Corporate Health and Safety and met the Council's minimum requirements regarding health and safety.
9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.
10. **Risk** – The three suppliers insurances have been assessed and evaluated to confirm that they have met the minimum requirements regarding insurable risk

11. **Privacy Impact** - No Privacy Impact implications have been identified or are anticipated.
 12. **Cosla Policy Position** – Not applicable.
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