

MUNICIPAL YEAR 2018/2019 - REPORT NO.**REPORT OF:**

Executive Director of Resources
 Contact officer and telephone number:
 Julia Dowsett / 0208 379 3483
 E mail: julia.dowsett@enfield.gov.uk

Agenda - Part: 1**Item:****Subject:**

Approval to award the contract for the provision of the supply of Catering equipment and Repair and Maintenance

Wards: All

Key Decision No: 4723

Cabinet Member consulted:**1. EXECUTIVE SUMMARY**

- A formal Tender process has been carried out under the Eastern Shires Purchasing Organisation (ESPO) Framework 98 for Commercial Catering Equipment (Lots 2 and 3), the scope of which includes service and maintenance of commercial kitchen equipment.
- This Framework allows for either a direct call off or mini – competition
- Legal Services have checked this Framework and has confirmed that it is available to local authorities to use therefore undertaking a “due diligence” exercise
- The Framework Agreement is in place until 31 March 2020 with an option for an extension up until 31 March 2022. The Council proposes a direct call-off from this Framework for a period of two years with an optional one year extension.
- The total value of the call-off contract per annum is approx. £300K per year

2. RECOMMENDATIONS

- 2.1 That the Director of Resources approves the award of the contract by means of a direct call-off under the ESPO framework 98 to the following suppliers as detailed in part 2.

At an estimated total value of £300K per year, for a period of two years, with an option to extend for a further year (this makes up the total budget for the service).

2.2 That the provisions set out in the Call Off Contract are approved. Further detail is set out in Part 2.

3. BACKGROUND

3.1 The Council's Catering Service currently use First in Service Limited via ESPO Framework 98 to carry out Catering Repair and Maintenance ("R&M") of school kitchen equipment (the "Services").

3.2 The number of schools that the Team currently provides the Services to is approximately 60 (Primary / Special). The Services include reactive repairs and scheduled servicing of equipment / extraction as per Service Level Agreements with the respective schools.

Provision of repairs and maintenance to schools is now optional, as per SLA launched April 2018, however only one school opted out of the service. Schools pay ten pence per meal for this service which makes up the total budget.

3.3 The ESPO Framework which the Council previously called off under has now expired, and has been replaced with a new Framework "Commercial Catering Equipment; Supply Installation, Maintenance, Hire and Kitchen Design". This Framework is divided into four lots, two of which we would like to use, namely lot 2 "Supply of Commercial Catering equipment (with an optional installation)" and lot 3 "Maintenance Response Services".

4. ALTERNATIVE OPTIONS CONSIDERED

To use the Procurement Across London's (PAL) contract managed by LB Havering for repairs and maintenance. However this contract is due to expire (November 2018) and will not be renewed. Furthermore it does not include the supply and installation of heavy equipment.

5. REASONS FOR RECOMMENDATIONS

In the interests of consistency across all our kitchens we are aiming to have the same equipment, and using suppliers that are known to be experts in the field. Further detail is set out in Part 2.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

The cost of equipment and kitchen repairs and maintenance is funded entirely by income from school meals. The estimated cost of the contract is £300k which reflects the costs incurred by the Catering Service in 2017-18. The funding for repairs and maintenance is integrated into the school meal pricing structure which limits the risk to the Catering Service of any schools opting out of the repairs and maintenance element of the service.

6.2 Legal Implications

6.2.1 Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions.

6.2.2 The Council also has a general power of competence in section 1 (1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation. The services which the Council wishes to provide and which are the subject of this report are in accordance with this power.

6.2.3 The Council must also adhere to the duty of Best Value and must consider this duty in the manner in which the services are provided in accordance with the Local Government Act 1999.

6.2.4 The ESPO Framework Agreement for Commercial Catering Equipment which the Council wishes to use has been established via an OJEU procurement process. The use of Framework Agreements is permitted under Regulation 33 of the Public Contracts Regulations 2015 (the

Regulations). Local authorities have been identified in the tender documents as a class of Contracting Authority eligible to use the Framework Agreement.

6.2.5 Framework Agreements allow for award of contracts either by direct call off or by reopening competition. The proposal by the Council is to award contracts to the suppliers identified in Part 2 by way of direct call off, as allowed under Regulation 33 (8) (a).

6.2.6 The award of the call off contracts will be a Key Decision and, as such, must comply with the Council's governance requirements including publication of the proposed contracts in the Forward Plan (see CPR 1.22.4).

6.2.7 The Director may approve the award of the contracts as allowed for under CPR 1.22.

6.3 Property Implications

None

6.4 Procurement Implications

All procurement must be carried out in accordance with the Council's Contract Procedure Rules, UK & EU regulations. Any framework used must be legally compliant and called off in accordance with the framework rules.

7 KEY RISKS

There is a risk that the selected suppliers may go out of business or that the selected suppliers may fail to deliver the quality required for the contract. However these risks will be mitigated through active contract management. Furthermore there are several suppliers on the framework that can deliver the service(s). We are already using one of the suppliers and have had a good service for many years.

8 IMPACT ON COUNCIL PRIORITIES

8.2 Fairness for All (see below)

8.3 Growth and Sustainability (see below)

8.4 Strong Communities (see below)

The Catering Service provides nutritious hot school meals for 80% of the borough's schools, including Free School meals to those eligible and all Infants. For some children it is the only hot meal of the day, and therefore is vital to their health and wellbeing.

We supply over 20,000 meals per day. It is therefore vital that we ensure the smooth operation of our kitchens and have a contract in place for repairs and maintenance to support this.

9 EQUALITIES IMPACT IMPLICATIONS

None

10. PERFORMANCE MANAGEMENT IMPLICATIONS

None

11. HEALTH AND SAFETY IMPLICATIONS

It is essential that our Catering staff work with equipment that is properly maintained.

12. HUMAN RESOURCES IMPLICATIONS

None

13. PUBLIC HEALTH IMPLICATIONS

None

Background Papers

None

