

Appendix 1 – Letter to Havering One Source



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Children's Services

Toby Lane Council Offices
Toby Lane
Stepney
London E1 4DN

Tel **020 7364 5153**
Fax **020 7364 5179**

E-mail Jenny.pittam@towerhamlets.gov.uk

www.towerhamlets.gov.uk

Mr Trevor Cook
Assistant Director Learning
& Achievement
London Borough of Havering
Town Hall
Main Road
Romford
RM1 3BB

2 December 2019

Dear Mr Cook

Failings by One Source to deliver effective Contract Procurement on behalf of the PAL/ LCSG Consortia resulting in 4 non-compliant contracts (total value £8,190,000).

I am writing on behalf of PAL (Procurement across London), previously LCSG (London Contracts Supply Group). Members have formed a London and Regional Catering Managers consortium and it includes the following councils:

- Havering,
- Barking & Dagenham,
- Enfield,
- Waltham Forest,
- Tower Hamlets,
- Newham (via the outsourced arrangements Juniper Ventures)
- The Royal Borough of Greenwich
- Thurrock Unitary Authority

Our aim is to achieve best value for the purchase of goods and services by sharing ideas and combining our borough wide purchasing power by working collaboratively.

The consortium agreed via an MOU for the London Borough of Havering to continue to act as the lead on the procurement process on behalf of the group as they have done for more than 10 years' now. To ensure the procurement needs were achieved compliantly all essential documentation would be handled by OneSource, Havering's procurement department as it has been done in previous years. This process would be supported by the HES catering department's contracts manager.

There are currently 3 contracts that are a cause for great concern to the PAL Consortia and we felt it necessary to draw your attention to on-going failings and delays in managing the PAL contracts by OneSource. The contracts are set out below and will expire on 31st December 2019:

- Fresh Meat – Annual Value £4,900,000
- Fresh Fruit & Veg – Annual value £3,000,000
- Light Equipment – Annual value £290,000



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At a quarterly meeting of the PAL consortium, held at the Town Hall, Romford on 15th October 2019, the consortium were informed that very little work has been completed on the OJEU process for these major contracts which will now take a minimum of 9 months to procure. These new contracts should have commenced on 1st January 2020. This has led to all local authorities being out of contract, in breach of local authority Procurement Regulations and having legally non-compliant contract arrangements with some of our main suppliers.

We have been informed that the procurement process has not been followed, so consequently all PAL members will be trading 'out of terms'. The possibility of extending the call-off terms is being investigated. This has also raised the issue that prospective legal departments of each member may veto the extensions required. The situation is extremely concerning.

In addition to the above contracts there have been major issues with the way another contract has been handled as follows:

- Disposables Contract – a new contract should have been in place on 1 September 2018. The original tender had to be restarted as it had been let under 'Stationery' and appropriate suppliers did not bid as they were unaware the process was live. A second E-auction took place on 14th February 2019; we were made aware that the winning bidder was **Tri-Star**. However, the E-auction has never been ratified, nor have contract documents been signed off and formally awarded. We understand it remains at a standstill.
- Due to non-completion of the process all members who use the supplier are currently trading out of terms. Although Tri-Star continues to supply PAL members, we are not benefitting from the competitive E-auction prices and are also losing out on an agreed rebate.

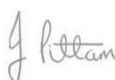
The hold-up seems to be with procurement. Given the way the Disposables contract has been managed, we have limited amount of faith that the future contracts due to expire will be managed effectively and in a timely manner.

We need to have an understanding from Havering as to why OneSource has failed to manage the contract tender process effectively for the consortium and we would like to request a meeting with you to discuss how it will be managed in the future.

As a matter of urgency, we would like assurances to be given by OneSource that the tender details above will be in place on 1 January 2021 and we can operate with Council legally compliant contracts.

We look forward to hearing from you as a matter of urgency.

Yours sincerely



Jenny Pittam - Interim Head of Contract Services
London Borough of Tower Hamlets
James Hughes – Catering Contracts Supplier Manager – **LB Havering**
Jayne Darlow – Catering & Traded Services Manager – **Thurrock**
Tracey Parnwell – Project & Purchasing Manager - GS Plus RLB **Greenwich**
Chris Cornell - Head of Catering Operations – **LB Waltham Forest**
Julia Dowsett – Services Manager – Schools' Food & Quality Manager - **Enfield**
David Brown – **LBBB** – B&D Together
cc – Dennis Brewin – **LB Havering** Head of Catering



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