

Cabinet Contracts Forward Plan – Appendix 1

Contract Ref & Title	CS6015 Supply of Fresh & Frozen Meat		
Procurement Category:	Goods	Contract Duration & Extensions:	3 Years + 1 Years = 4 Years Total
One-Time / Recurrent	Recurrent	Funding Source:	<input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> On Going <input type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> General Fund <input type="checkbox"/> S106 <input type="checkbox"/> Reserves
Value Total:	£2,500,000 (4 years)		
Value Per Annum:	£625,000	Statutory / Non-Statutory	Statutory (Free School Meals)
Cost Code	87100	Budget	£1.067m From Finance
Current annual value	£825,000 per Year	Revised Annual Contract	£625,000 per Year
Savings Annual Value	Possible savings for this contract may be achieved but cannot be predicted at this stage until PAL evaluates the 3 bids submitted.		
Summary of how savings will be achieved			
<p><i>The PAL contract commenced on the 1st of Jan '21. The first price change (in response to the pandemic and war breaking out in Ukraine) wasn't until the 1st of Sept '22 (therefore the initial 1-year price hold period was for 21 months) and represented a 6.51% increase over Tower Hamlet's basket. There have been two further price increases since then, in April '23 (6.89%) and January '24 (5.16%). Over this same time frame to date, CPI has increased by 25.1%. So, we are very much below the rate of inflation.</i></p> <p>This demonstrates how we have achieved best value from the PAL contract having been protected from full inflationary price increases.</p> <p>During challenging periods, notably the pandemic, WW Meats provided supplies to Tower Hamlets despite operating at a loss, driven by their enduring commitment and loyalty to us . Furthermore, they always offer highly competitive pricing for essential, high-volume products, as they recognise their pivotal role in our catering operation.</p>			
Scope of Contract			
<p>The Council's method for the procurement of Fresh & Frozen Meat for Contract Catering Services has been through PAL (Procurement Across London) group. The London Borough of Havering's Procurement Team (One Source) lead on the procurement process on behalf of the group which includes the following councils:</p> <ul style="list-style-type: none"> • Havering, • Barking & Dagenham, • Waltham Forest, • Tower Hamlets, • Thurrock Unitary Authority <p>PAL has been widely recognised for many years as one of the best vehicles within London for awarding legally compliant framework contracts for food and school catering services whereby best value is achieved.</p> <p>The use of PAL frameworks reduces overhead costs to each participating Council and supports common standards across all Councils whilst helping to reduce direct costs to both the Councils and also the suppliers</p>			

- hence driving best value. All contract management and compliance reporting is handled by the London Borough of Havering and all members are kept fully briefed. Havering regularly benchmarks the contracts against market prices to ensure that best value is achieved.

Contracting Approach

This method of procurement (through PAL contracts) has always been of great benefit to Contract Catering Services as the PAL arrangement delivers greater efficiencies through combined purchasing power and drives major economies of scale. The levels of rebates negotiated for the Meat contract contributes to an increased revenue outturn. For 2023/34 this was £20k.

The management fee which Havering earns for undertaking the procurement process is 0.75% of the total sales across the framework over its lifetime.

The PAL Contract Supply Manager bring many key benefits to group members. Some are listed below:

- Manages the 'Risk Register' on behalf of the consortium for complaints and compliance, these are discussed thereafter at all consortium meetings
- Monitors and manages the contracted Approved Product Lists (APLs) across all consortium members.
- Ensures all rebates are correctly calculated for consortium members and paid annually or on a timeframe as requested by consortium members.
- Works closely with all key partners, e.g. the Soil Association, Sustain, London Food Board and all other partners to ensure communications re best practice and all other relevant information is shared by all.
- Manages all tenders in a professional manner.
- Awards Contracts as LCSG frameworks on behalf of the PAL group
- Manages all contractual issues - that are not local operational issues
- Reviews price variations and manages price e auctions as appropriate

In line with Public Contracts Regulations 2015, the procurement process is conducted using an open procedure advertised on the Find a Tender portal. A Prior Information Notice (PIN) will be used to alert the market of the tender opportunity, followed by a Contract Notice to advise that the opportunity has been published. The weighting to be used to evaluate the bids will be 70% price: 30% quality. Social value will carry a sub weighting of a minimum of 5% (within the quality section).

The prices submitted will be held until the 1st anniversary of the new framework. Thereafter, annual price reviews are undertaken, capped at CPI.

It is proposed to appoint multiple suppliers to the framework agreement.

The contract will not include any commitment from the collaborative PAL group to volume or value of orders. PAL group members will be individually responsible for calling-off the framework via their own internal corporate governance arrangements.

Justification for Contract Duration

The current Fresh & frozen Meat framework finishes on 31st December 2024.

A new contract has been prepared by PAL for 3 + 1 years from 1 January 2025.

Preparing for the tender specifications commenced early in 2024 by Havering's procurement team (One Source). The contract went out to tender, and closed on 17/7/24. 3 bids have been submitted which will be checked for compliance and then evaluated by Havering Procurement Team.

LBTH are seeking Cabinet approval to authorise expenditure. Cabinet approval will:

- Enable the London Borough of Tower Hamlets to regularize and or extend its current use of the PAL contract.
- Ensure that, if needed, following the end of the extended PAL contract the relevant Corporate Director has delegated authority to undertake monthly expenditure until Havering has awarded new contracts.
- Allow London Borough of Tower Hamlets enough time to follow its own internal due processes to authorize the award and expenditure against those contracts.

Sustainable Benefits

There is a requirement that all products sourced via this framework will have come from a sustainable process such as red tractor, free range, RSPCA Assured or in accordance with the standards set by the Soil Food for Life organisation. The products are ethically sourced and either meet or exceed the minimum food standards required by Government. A range of Halal meat products are also available with a Halal Certificate to back the range. Contract Catering Services uses 100% Halal produce.

Health and Wellbeing Implications

This procurement supports the provision of fresh meat and poultry for school meals. This in turn, supports the healthy development of children through the provision of fresh healthy and nutritious food.

Community & Environmental Benefits

Social Value will have 10% overall weighting in the tender evaluation process with the requirements being developed and defined during the preparation of the Tender Pack. This will include consideration of Social Value benefits that can reasonably be delivered within the proposed contract.

The current supplier William White Meats Ltd have met the requirement that their vehicles meet the Ultra-Low Emission Standard for London, which requires that vehicles meet the most recent vehicle emission standard, Euro VI, which contributes to lowering vehicle emissions and improving the air quality around the schools to which deliveries are made. In addition, the Supplier is based just outside the Greater London area in Purfleet, reducing the road miles for delivery.

Contract Ref & Title	H3948 Concierge & Related Services		
Procurement Category:	Construction & FM	Contract Duration & Extensions:	Contract Extension Details Minimum 8 months (up to 12 months)
One-Time / Recurrent	One-Time	Funding Source:	<input type="checkbox"/> General Fund <input type="checkbox"/> Capital <input checked="" type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> Reserves <input type="checkbox"/> S106 <input type="checkbox"/> Revenue Generating
Cost Code	10654		
Value Total:	£343,664 (based on an 8-month contract) £515,496 (based on a 12-month contract)	Statutory / Non-Statutory	Non Statutory
Value Per Annum:	N/A	Budget	£ 578,400 annual budget.
Current annual value	N/A	Revised Annual Contract	N/A
Savings Annual Value	Not Applicable		

Summary of how savings will be achieved

This resident service is based on a pro rata basis and has absorbed inflationary costs agreed with the contractor. This is a short-term interim arrangement extending the existing contract, as a result of procurement process delays. There is funding within the allocated budget of 578k for office costs and compliance measures which is not within the cost of the extension of the contract.

Background

It is important to note that this concierge service is important to residents as it has assisted in the prevention of ASB incidents, this is prevalent to the housing schemes impacted. It ensures that residents including elderly and vulnerable feel safer with this service, hence the demand by residents This is a service that leaseholders pay for within the service charges for the schemes. Any redesign of the service would require the council to complete a Section 20 consultation process and would require further extension of the contract.

The existing Concierge and Related Services contract is currently being delivered by OCS LTD. The contract expired in July 2024 and is currently being delivered on a monthly rolling basis. Any inflationary cost for the extension period of contract is absorbed by the contractor representing value for money for the period of the contract extension.

Officers started the tender process for the new contract in October 2023. The tender process is live, and expressions of interest have been received. However, this procurement project has experienced unforeseen delays, and the shortlisting stage is yet to be completed. Corporate Procurement has provided additional resource and oversight to this specific project to mitigate against any further slippages.

Tender documentation is ready to be published once the shortlisting stage is completed. However, due to the delays experienced, the tender process will take up to a further 12 months. This allows for the shortlisting stage to be concluded, Section 20 leasehold consultation to be undertaken and mobilisation (including the completion of TUPE transfers) to be completed. It should be noted that as soon as the tender process is completed, the new contract will be awarded, and the existing contract terminated, therefore the maximum extension sought is 12 months, but should the process conclude before then, then the contract will be terminated in advance.

To ensure continuity of service pending the new contract award, this report is seeking approval to continue using the existing provider to deliver concierge services. Without this extension, the service will cease, and residents may be without this service for up to 12 months.

This contract is well managed on a day-to-day basis with monthly documented contract meetings taking place where performance is reviewed. The service is responsive to LBTH requests and there are no concerns with OCS's performance at present.

Scope of Contract

This contract provides concierge services to 4 sites totaling 5 blocks (Brodick House, Pauline House, Brewster House, Malting House and Latham House), comprising 346 homes managed by the Neighbourhoods Division. This service has a direct impact on people's feelings of safety and well-being. As such it is central to LBTH's strategic priority of 'Empower communities and fight crime' where people feel safer in their neighbourhoods and anti-social behaviour is tackled.

This service specifically provides for the following:

- Enhanced security for our residents living in these blocks with visitors being screened and recorded with CCTV, allowing only authorized individuals to have access to the building.
- Regular patrolling of communal areas with the focus on fire safety, spot cleaning and reporting repairs during evenings and weekends.
- First point of contact for residents and visitors, including assistance with packages and mail, providing information on how to access council's services etc.
- Assistance to residents and emergency services in the event of an emergency situation.

Contracting Approach

It is proposed to continue using the existing provider whilst the procurement process for the new contract is completed. This approach will be supported by LBTH legal team and finalised following approval of this paper.

Community Benefits

Community benefits will be secured through the new contract being tendered. During the procurement process the Council's Social Value Matrix will be used to secure community benefits. This will be a mix of standard Social Value elements, such as local recruitment, apprenticeships and event sponsorship, and more service-specific elements, such as support of estate days and individual SIA accreditations, including employment of individuals with these accreditations.

Risks and Customer Impact

As outlined above, should the contract extension not be agreed there is likely to be a gap of up to 12 months in the service. For context, in the month of May alone, the team attended 29 incidents and completed 58 spot cleans across the 4 sites. Over the course of 12 months this would equate to c. 350 incidents and nearly 700 spot cleans. By not having the service in place, this would have a detrimental impact on residents alongside the intangible impact of not having an on-site presence which acts a deterrent for Anti-Social Behaviour.