

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

Ref JMcK/JB

Date 12/05/2020

Supply & Delivery of Groceries and Provisions

From JAMES MCKINSTRY, HEAD OF ASSET & PROCUREMENT SOLUTIONS
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Executive Summary

Committee is asked to note the actions taken by the Executive Director of Enterprise and Communities to approve the award of one call-off contract (the "Contract") for the Supply & Distribution of Groceries & Provisions. The total combined value of the Contract is a maximum of £8,800,000 over Lots 1, 2, & 3.

Recommendations

Committee is asked to note the actions of the Executive Director of Enterprise and Communities to approve the award of the Contract to the supplier detailed below:

- Supply & Distribution of Groceries & Provisions for Lots 1,2 & 3 – Brake Bros Ltd

Lot 1 – Supply & Distribution of Dairy & Chilled Products - £1,724,800

Lot 2 – Supply & Distribution of Dried Goods and Ambient Products £3,845,600

Lot 3 – Supply & Distribution of Crisps, Confectionery, Soft Drinks and Water - £3,229,600

The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

1. Background

- 1.1 The current call off contract expired on 30 April 2020 having been in place for 4 years.
 - 1.2 The council has an annual spend of £2.2 million with Facility Support Services having the largest spend of £1.8 million for all the council's services.
 - 1.3 Facility Support Services attended a User Intelligence Group (UIG) with Scotland Excel.
 - 1.4 A benchmarking exercise was undertaken to establish a call off Contract conducted against the Scotland Excel Framework Agreement for the Supply & Distribution of Groceries & Provisions.
 - 1.5 The decision was to source requirements through Scotland Excel for the Supply & Delivery of Groceries & Provisions agreement (12/19) from which North Lanarkshire Council will call-off the framework for Lots 1, 2 & 3, in order to procure our defined requirements.
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2. Report

- 2.1 In July 2019, Facility Support Services participated in a User Intelligence Group (UIG) and data gathering exercise in order to determine what the specific requirements would be in terms of a mechanism to procure a range of dairy and chilled products, dried goods and ambient products, crisps confectionery, soft drinks and water. Once this requirement was determined, a market analysis exercise was undertaken in order to review what routes to the market were available. Scotland Excel had an established framework which was created for all 32 local authorities to call-off, if required.
 - 2.2 The specific requirements highlighted the requirements for Groceries & Provisions across three lots in the framework which were Lot 1 – Supply & Distribution of Dairy & Chilled Products, Lot 2 – Supply & Distribution of Dried goods and Ambient products and Lot 3 – Supply & Distribution of Confectionery, Soft drinks & Water. The tender also had lot 4 - Supply & Distribution of Groceries & Provisions & Lot 5 for supply only. (This was set up to distribute through Lots 1, 2 & 3) and encouraged maximum competition and participation built into the Contract.
 - 2.3 Following a benchmarking exercise Lot 1-3 identified a single supplier per lot. Brake Bros Ltd were successful for each lot.
 - 2.4 The tender period is from 1st May 2020 until 30 April 2022 (with the option to extend for up to two 1-year periods until 30 April 2024).
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3. Equality and Diversity

3.1 Fairer Scotland

No implications.

3.2 Equality Impact Assessment

Not applicable.

4. Implications

4.1 Financial Impact

The Supply and Delivery of Groceries & Provisions is approximately £8,800,000 and is a revenue cost.

4.2 Environmental Impact

Scotland Excel included a number of sustainability related method statements within the tender including:

- Carbon dioxide (CO₂) emissions, food miles & route planning.
- Recycling cradle to cradle - This is the name given to describe products that have been designed so that every element or material used in its construction can be either recycled, reused, composted or consumed. The aim of recycling Cradle to Cradle products are essentially waste-free.

4.3 Risk Impact

No significant risks were identified.

4.4 Community Benefits

Suppliers were asked to commit to the delivery of community benefit initiatives against pre-agreed spend threshold levels outlined within the community benefits method statement.

Examples of the indicative benefits which were conveyed to providers were:

- Fundraising event for external charities / initiatives within the council
- Work placements to school students from councils
- Support local food banks and community pantry initiatives
- Support holiday hunger programmes
- Sponsorship of sports team or community event within the council to the value of £500
- Recruit a modern (or other approved) apprentice from within the council
- Recruit one person from with the council area.

Scotland Excel will monitor delivery of these commitments during the lifetime of the framework.

- In addition Brakes will offer a 0.7% grant based on each councils total spend less any spend on direct award suppliers. Scotland Excel will calculate the amount at the end of each framework year and notify each council of the amount they have available to spend on community benefits.

4.5 Fair Working Practices

As part of the framework agreement, Brake Bros Ltd in Scotland have committed to the following Fair working practices:

- In Scotland Brake Bros Ltd pay circa 97% of staff the real living wage or higher.

5. Measures of success

- 5.1 This agreement will ensure that we continue to have continuity of Supply & Distribution of Groceries & Provisions and also achieve Best Value on behalf of the authority.

6. Supporting Documents

Appendix 1 Summary of Procurement and Evaluation Exercises

Appendix 2 SME Status and Location of all Tenderers



James McKinstry
Head of Asset & Procurement Solutions

Appendix One – Summary of Procurement Procedure and Tender Evaluation Activities

Procurement Title	Supply & Delivery of Groceries & Provisions		
Initial Contract Period	Two (2) Years		
Contract period extension options	Two, one year periods		
Estimated Total Contract value	£8,800,000		
Contract Reference Number	NLC-CPT-20-021		
Contract Notice Reference	NOV370686		
Governing UK Regulation	The Public Contracts (Scotland) Regulations 2015		
Procurement Procedure	Direct Award from SE framework		
Evaluation approach adopted	The call-off mechanism utilised via the Scotland Excel is using the terms of evaluation from the SXL 1219 framework.		
Number of recommended suppliers	1		
Basis of contract award	Quality	25%	Price 75%
Evaluation team names and job titles of Evaluators and their role in evaluation	Chris Gannon, Category Manager – Procurement Lead Jill Bryans, Assistant Business Manager – FSS – Service Lead Price Verification Scotland Excel – Quality & Price Evaluation		

Appendix Two – SME status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority/Council Area)
Brake Bros Ltd	Medium	Head office is Ashford Depot in NLC at Newhouse