

# Finance and Resources Committee

10.00am, Tuesday, 21 November 2023

## Award of Framework Agreement for the Supply and Distribution of Fresh Fruit, Vegetables, Bakery Products and Eggs

Executive/Routine  
Wards

Routine  
All

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee approves:
  - 1.1.1 The award of a single supplier Framework Agreement to George Anderson and Sons for the Supply and Distribution of Fresh Fruit, Vegetables, Bakery Products and Eggs; and
  - 1.1.2 The commencement of the Framework on 8 December 2023 for a period of four years at an estimated total value of £6.275m.

**Paul Lawrence**

Executive Director of Place

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## Award of Framework Agreement – Supply and Distribution of Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs

### 2. Executive Summary

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- 2.1 This report seeks approval to award a single supplier Framework Agreement to George Anderson and Sons for the Supply and Distribution of Fresh Fruit, Vegetables, Bakery Products and Eggs. The Framework Agreement will commence on 8 December 2023 for a period of four years at a total estimated value of £6.275m.

### 3. Background

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- 3.1 The City of Edinburgh Council has a recurring requirement for the provision of Fresh Fruit, Vegetable, Bakery Products and Eggs to schools, nurseries, Health and Social Care establishments (including day centres and care homes), cultural venues, outdoor activity centres as well as staff restaurants as required. This Framework Agreement will support the duties established by the Schools (Health, Promotion and Nutrition) (Scotland) Act 2020 and the standards set out by the Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2020.
- 3.2 The Council requires a supplier that has the ability to provide customers with a comprehensive range of products that combine quality and value, comply with dietary requirements and meet Government Buying Standards.
- 3.3 The Council's aim is to increase the proportion of fresh food that is served in these establishments by using quality fresh ingredients in the preparation of food. Nutritionally balanced meals will assist in encouraging people to make healthier choices and in turn hopefully help to reduce obesity, heart disease and diabetes. In addition, food products must comply with nationally recognised Saffron Nutrition Analysis Software so that meals served meet the statutory regulations and codes of practice referring to accurate labelling, supply and delivery of foods. It is therefore important that the new supplier is committed to providing pertinent information relating to nutritional value and allergens.
- 3.4 A key objective for the Framework Agreement was to increase the flexibility of the Council's requirement for locally sourced products. The suppliers were asked to

define the country of origin for each product for information purposes only. Whilst this information was not commercially evaluated, the Council will aim to purchase locally sourced products where possible.

- 3.5 The provision of these goods will build upon the Council's commitment to increasing the amount of sustainable menu choices and to support the moves to produce its Good Food Nation Action Plan.

## 4. Main report

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- 4.1 The market was advised of this upcoming tender opportunity by way of a Prior Information Notice (PIN) published on Public Contracts Scotland (PCS) on 13 March 2023 with eight suppliers expressing interest.
- 4.2 Thereafter, the Contract Notice was published via the Find a Tender and PCS portal on 7 August 2023 under Open Procedure (as set out in the Public Contracts (Scotland) Regulations 2015), with a tender submission deadline of 5 September 2023.
- 4.3 The procurement procedure allowed the Council to identify suitable tenders in terms of compliance with the procurement regulations and the service specific criteria.
- 4.4 To identify organisations offering Best Value the tender included an emphasis on quality as well as price and submissions were assessed on the basis of Most Economically Advantageous Tender (MEAT).
- 4.5 Due to the current economic climate and high inflation on food prices, the Council required a highly competitive framework, therefore entered the market with 70% commercial for this contract. This shift to commercial was not at the expense of quality, as the specification was rewritten to be robust with various minimum quality standards and was also further assured by the minimum quality threshold of 60%.
- 4.6 All suppliers were evaluated against the advertised selection criteria using the Single Procurement Document (SPD), and the award criteria of:
- Quality 30%; and
  - Commercial 70%.
- 4.7 Within the quality section, suppliers were required to evidence their knowledge and experience by responding to method statements which covered areas including: servicing the contract, dealing with complaints and key performance indicators (KPIs), community benefits, sustainability and the environment. Suppliers had to meet a minimum quality threshold of 60% with the Council having discretion to disqualify tenderers who that did not achieve this threshold.
- 4.8 Following completion of the quality analysis, the suppliers' bids were subjected to cost analysis.
- 4.9 Within the commercial section, suppliers were invited to bid for a net delivered price for each of the estimated volumes of a basket of goods of core products used by the Council.

4.10 The tender documents were accessed by seven suppliers, with two of these submitting offers and the outcome is detailed below:

<b>Supplier</b>	<b>Commercial Score</b>	<b>Quality Score</b>	<b>Total</b>
George Anderson and Sons	70.00%	28.88%	98.88%
Supplier B	59.25%	24.68%	83.63%

4.11 A summary of the tendering and the tender evaluation process is attached at Appendix 1.

## **5. Next Steps**

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- 5.1 Subject to approval the contract will be awarded, implemented and mobilised and commence on 8 December 2023. The Contract Manager will liaise with the supplier to create a bespoke catalogue for the contracted items.
- 5.2 The Contracts and Grants Management Team (CAGM) will engage with the Contract Manager to ensure that effective contract management is delivered throughout the contract lifecycle as detailed and agreed in the Contract Management and Handover Report. All efficiencies identified in the procurement process should be delivered by the service area through proactive supplier engagement, monitoring of management information and application of KPIs.

## **6. Financial impact**

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- 6.1 Pricing is fixed for the first six months of the contract with pricing being reviewed in line with the Consumer Price Index (CPI), every six months thereafter. All requests for a price review will be evaluated against prevailing market conditions and supporting documentary evidence.
- 6.2 It is anticipated that there will be an increase in spend on fresh fruit and vegetables over the next four years with the demand placed on local authorities to promote healthy eating through the Food in Schools Act 2020 and the Good Food Nation Act. Locally, Edible Edinburgh's new Sustainable Food City Plan and Edinburgh's upcoming Plant-Based Treaty action plan as well as the Veg Power campaign are also anticipated to drive demand for vegetables. Additionally, it is anticipated the Council's requirement for these products is likely to increase further due to the Universal Free School Meals (UFSM) being extended to include Primary 6 and Primary 7 pupils in 2026.
- 6.3 Actual cost savings are largely dependent on the order quantities and type of product ordered which will be monitored by the Contract Manager.
- 6.4 The costs associated with procuring this contract are estimated to be £10,001-£20,000.

## 7. Equality and Poverty Impact

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- 7.1 The equalities team were engaged and have advised that an integrated Impact Assessment (IIA) is not needed as no impact to the Council's specific public sector equality duties have been identified. There will be negligible impact to the economy as the new appointed supplier intends to source local fruit and vegetables wherever possible with the aim of maximising this provision. The Framework Agreement has a clear measurable scale for assessing the volumes of Scottish produce provided to the Council's premises on an ongoing basis which will be reported on and reviewed quarterly.
- 7.2 This Framework Agreement aims to support the Council in its duty to Free School Meals (a legal obligation) which supports the right of the child to access food and contributes to the Council's poverty inequality actions. The contract also supports the provision of meals to elderly and vulnerable residents in care homes which also supports the right to food and the recognition of good food can have a positive outcome on health and wellbeing.
- 7.3 George Anderson and Sons are an accredited Living Wage employer and pay all workers the real Living Wage. They do not have any zero hours contracts nor any fire and rehire practices. Additionally, there is no gender pay gap within their organisation and hold an Equality and Diversity Policy and training for all staff. Flexi time working is in place as well as free out of hours transport and free access to a local physiotherapist.

## 8. Climate and Nature Emergency Implications

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- 8.1 Climate change was identified as relevant to this procurement exercise and suppliers were required to complete a response within the Single procurement Document (SPD) to provide evidence that their organisation has taken steps to build the awareness of the climate change emergency. Scope 1, 2 and 3 emissions were addressed in the SPD question as defined in the [Greenhouse Gas Protocol](#).
- 8.2 **Environmental Impacts**
- Emissions source categories and their scopes were presented and tenderers were requested to indicate sources used by their organisations and steps to reduce carbon emissions through the contract period. Mandatory submissions were received from all tenderers.

## 9. Risk, policy, compliance, governance and community impact

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- 9.1 The Framework Agreement recommended for award is compliant with regulations and the Contract Standing Orders. (CSOs) thereby reducing the risk of legal challenge relating to contractual arrangements.
- 9.2 There was consultation with the Health and Social Care Partnership to ensure patient nutrition was factored into the contract.

- 9.3 The Sustainable Procurement Strategy was considered and applied through the request of community benefits. George Anderson and Sons will be required to deliver community benefits in line with the value of contract spend; benefits will be agreed at contract commencement and monitored throughout the life of the contract by the Contract Manager.
- 9.4 The Edible Edinburgh vision will be considered, where possible, with the procurement of these goods. Working with the Edible Edinburgh partnership, the new supplier will aim to inspire and motivate everyone across Edinburgh to work together to build new approaches to food. The supplier will be required to suggest approaches that make the procurement of fruit and vegetables as sustainable as possible. The supply of local produce is essential to meet the requirements of the Edible Edinburgh Food City Plan and to fulfil the Council's commitment to this.
- 9.5 The Council currently hold Food for Life (FFL) Bronze Award in all schools and holds Silver Status from Sustainable Food Places. This has been achieved by the promotion and demonstration of utilising more local produce each year. The new supplier will be required to monitor and track this on an annual basis, making recommendations to the Council to increase local alternatives.

## **10. Background reading/external references**

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- 10.1 None.

## **Appendices**

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- 11.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes.

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	CT2943 Framework Agreement for the Supply and Delivery of Fresh Fruit, Vegetables, Bakery Products and Eggs	
Contract period (including any extensions)	The contract will commence on 8 December 2023 until 7 December 2027	
Estimated Contract Value (including extensions)	£6.275m	
Procurement Route Chosen	Open Tender	
Tenders Returned	2	
Name of Recommended Supplier(s)	George Anderson and Sons	
Price / Quality Split	<b>Price 70%</b>	<b>Quality 30%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>70%</b>

	<p><b>Quality</b></p> <p>Delivery of the Contract Operational Requirements Contract Management and Key Performance Indicators The Environment and Sustainability Quality Assurance Community Benefits Fair Work Practices Business Continuity</p>	<p><b>30%</b></p> <p>25% 15% 10% 20% 10% 10% 5% 5%</p>
<p>Evaluation Team</p>	<p>Council Officers from Operational Services (Facilities Management)</p>	