

Birmingham City Council

Report to Cabinet

27th June 2023



Subject: Catering and Food Procurement Strategy for Cityserve/Civic Catering

Report of: Darren Hockaday –Acting Director for People and Corporate Services

Relevant Cabinet Member: Councillor Brigid Jones - Finance & Resources

Relevant O &S Chair(s): Councillor Jack Deakin – Chair of Resources O & S
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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011395/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 This report sets out the procurement strategy and trajectory for the Council's catering and food service requirements for Cityserve and Civic Catering.
- 1.2 To set out and seek approval to a series of procurement measures in relation to the Council's catering and food contracts to enable a more strategic long-term solution to be implemented and to deliver best value.

2 Recommendations

That Cabinet:

- 2.1 Notes the extension of the existing supplier contracts as set out in (Appendix 1) by up to 1-year in line with 2.2 of the cabinet report of 6th June 2022 which gave delegated authority to the Assistant Director – Procurement (or their delegate), in conjunction with the relevant Finance Business Partner to approve any contract extensions or modifications to the contract that are within what is permitted by Council governance & public procurement legislation.
- 2.2 Approves the procurement strategy and the commencement of procurement activity for Fresh Meat/Frozen, Meat/Cooked Meat, Milk/Dairy & Morning Goods, Grocery & Frozen in accordance with the approach set out in (Appendix 2)
- 2.3 Delegates authority to proceed with the strategy and award of new non multi temperature contracts and award of the multi temperature contracts set out in (Appendix 2) following the conclusion of the procurement process to the Director of Group & Capital Finance in conjunction with Assistant Director, Procurement, Strategic Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate)

3 Background

- 3.1 Cityserve provide catering services to approximately 160 Schools across Birmingham. Civic Catering provide a wide range of quality services and outside catering to a diverse range of customers, requiring them to provide well balanced competitively priced food offerings throughout the year including weekends and bank holidays.
- 3.2 Historically Birmingham City Council's Corporate Procurement Service (CPS) supported Cityserve's food purchasing via a third-party, Pelican Procurement who undertook all food related procurement on behalf of the Council. With the introduction of a new Kitchen Management IT solution providing a Procure to Pay service direct with suppliers, it was decided to end the Pelican contract and bring food service purchasing in-house, effective from 1 April 2019. All existing contracts at this time were 'brokered' by Pelican but were directly between BCC and the Vendor.
- 3.3 Since the food service purchasing was insourced to Cityserve in 2019, a number of the larger contracts have been retendered and a procurement strategy was developed in line with Procurement Legislation and Council Procurement & Contracting Rules.
- 3.4 This report provides the proposed updated procurement strategy for these contracts. Further details are provided in (Appendix 2).
- 3.5 A list of all relevant contracts to be extended for up to 12 months is detailed in (Appendix 1).
- 3.6 Inflationary pressures within food sector further spiked by global events has impacted in the food service marketplace, leading to significant supply chain

issues including food shortages, increased prices, and market volatility. Consequently, a decision was made by Cityserve to halt the current procurement activity until the market has settled to ensure the Council are not exposed to less favourable contract conditions and pricing.

- 3.7 In March 2022 Cabinet approved the procurement approach to a series of tactical tenders for the Council's catering and food contracts whilst the strategy for the multi temperature tender was developed. This includes a series of direct awards under national frameworks. The strategy and award report for these contracts included the option to extend the agreements by a period of 12 months as set out in the delegated strategy and award report of 6th June 2022.
- 3.8 Now that the procurement strategy has been developed the Council will take up the option to extend these agreements whilst the multi temperature tender and other contract renewals for lower value agreements are implemented.
- 3.9 Now there is a degree of stability in the market, an initial review of current contracts and an options appraisal has been completed to ensure the impending expiring contracts are in line with procurement regulations and the Council's Standing Orders whilst a more optimal longer-term solution is explored and implemented.
- 3.10 Appendix 1 sets out the contracts to be extended. Whilst the Council implements the longer term strategic food service procurement strategy. These measures will ensure the Council is compliant with Public Contract Regulations and Council Procurement & Contracting Rules whilst ensuring continuity of services to schools.
- 3.11 The procurement strategy set out in (Appendix 2), recognises that there are a number of other low value Catering & Food contracts that do not fall within the scope of the multi temperature tender. Renewal of the contracts will be undertaken in line with procurement governance arrangements with the delegated strategy and award decisions approved under 2.3. In parallel with these contract extensions, Officers from Cityserve supported by Corporate Procurement will deliver the 'Multi Temperature' tender strategy set out in (Appendix 2) (Note: 'Multi Temperature' means delivery drops with vehicles designed to enable storage of multiple categories including Frozen, Fresh, Chilled & Grocery)
- 3.12 Corporate Procurement Services and Cityserve have successfully ensured that all contracts have remained commercially viable with respect to extreme pressures within the food industry. Where we have experienced pressure to increase prices, we have worked extremely hard to mitigate where possible through a collaborative approach for example looking at alternative items.

Consultation

- 3.13 Legal, Finance, and Corporate Procurement have been consulted during the options appraisal. Consultation will continue throughout the tendering processes.

4 Compliance Issues:

4.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

4.1.1 Cityserve has a huge positive social impact within Birmingham, both through the current levels of employment with the majority being Birmingham residents, and through the provision of healthy, nutritious meals to children in areas of high deprivation at a time when 43% of children in Birmingham live in poverty (Joseph Rowntree Foundation, 2022).

4.1.2 Birmingham City Council's Corporate Plan 2022-2026

Cityserve's plans are compliant with Birmingham City Council's Corporate Plan. This includes the following ambitions and priorities:

4.1.2.1. Ambition: A Bold Prosperous Birmingham

Priority 1: Support inclusive economic growth

"Supporting business growth, build and retain wealth locally, and help bring back and create more and better paid jobs."

Priority 2: Tackle unemployment

"We will seek to tackle and reduce barriers to employment, working with a range of partners to increase access to better paid jobs...enable all citizens...to get the opportunities...especially those in the most disadvantaged circumstances."

Compliance: Cityserve key priorities of Children, Jobs & Skills and Health, also support the Council's ambitions and priorities Through Cityserve, the Council directly employ and train approx. 1,000 predominately female, low paid workers from within the area. Cityserve have our own "in house" food procurement team and liaise/contract manage each supplier directly whilst ensuring compliance to all signing and adhering to the Birmingham Charter.

4.1.2.2. Ambition: A Bold Inclusive Birmingham

Priority 5: Tackle poverty and inequalities

"We will work with partners and citizens to address food...and pay poverty...We will ensure our own workforce better reflects the diversity of our city..."

Priority 8: Support and enable all children and young people to thrive

We will support all children and young people to have the best start in life and achieve their full potential...We will...improve the wellbeing and quality of life for children and young people..."

Compliance: Studies have evidenced pupils participating in school meals "had a significant positive impact on attainment." Previous research has found an improvement in the quality of school meals led to a significant improvement in attainment, behaviour and absences.

4.1.2.3. Ambition: A Bold Healthy Birmingham

Priority 14: Encourage and enable physical activity and healthy living

"We will ... develop a food strategy to support healthy lifestyles."

Compliance: We support the delivery of the Birmingham Joint Health and Wellbeing Strategy and the Birmingham Food System Strategy, including by providing "School Food Plan" compliant meals.

4.1.2.4. Ambition: A Bold Green Birmingham

Priority 19: Continue on the Route to Net Zero

“Our initiatives will facilitate carbon emissions reduction and build climate resilience into policies and practice. The council will reduce its own carbon emissions as well as fostering existing external relations, enabling behaviour change through informative calls to action and facilitating new community and public-private sector partnerships to build investment and delivery capacity to make our city carbon neutral.”

Compliance: Birmingham City Council declared a climate emergency in 2019 and committed to becoming net zero carbon by 2030 and instigated a taskforce and action plan to deliver this aim. In order to support the Council in achieving this target, we are proactively support the implementation of the Birmingham Food System Strategy, are committed to the Glasgow Food and Climate Declaration and are supporting our city’s actions to enable us to achieve the Sustainable Food Places Silver Award and Coolfood Pledge commitment to reduce food greenhouse gas emissions by 25%. This involves us utilising the procurement process and relationships with suppliers and the supply chain to bring about a shift and a commitment from those we work with.

4.1.4 **Birmingham Food System Strategy 2022-2030**

Cityserve’s plans are compliant with the Birmingham Food System Strategy that Birmingham City Council formally adopted in 2023. This includes:

- 4.1.4.1. Proactively supporting the Food Sourcing work stream in our practice with the objective to increase both supply and demand for local, environmentally sustainable, ethical and nutritious foods in the food system.
- 4.1.4.2. Increasing the amount of local food in our city’s food system.
- 4.1.4.3. Increasing demand and expectation of seasonal, local, sustainable food sourcing with ethical, transparent supply chains.
- 4.1.4.4. Supporting businesses to adopt local sourcing in their food procurement.
- 4.1.4.5. Supporting more rural-urban connection, especially through solutions that help connect local farming cooperatives, independent and small producers with local businesses and communities. We will proactively engage with the Shire counties that surround our city.

4.1.5 **Glasgow Food and Climate Declaration**

Cityserve’s plans are compliant with the Glasgow Food and Climate Declaration that Birmingham signed in 2021. This means we are committed to tackle the climate emergency through integrated food policies. As part of this declaration, Birmingham City Council and Cityserve:

- 4.1.5.1. Acknowledge that food systems currently account for 21-37% of total GHGs, and are at the heart of many of the world’s major challenges today including biodiversity loss, enduring hunger and malnutrition, and an escalating public health crisis;
- 4.1.5.2. Recognise that unsustainable dynamics are locked in along the whole food chain, primarily stemming from industrial food and farming systems; Recognise that extreme inequalities are pervasive throughout the food system, and... that many of these same groups are exploited for their

labour globally;

- 4.1.5.3. Are committed to taking a food systems approach targeting all the Sustainable Development Goals to identify effective intervention points to accelerate climate action while delivering many co-benefits, including the promotion of biodiversity, ecosystem regeneration and resilience, circularity, equity, access to healthy and sustainable diets for all, and the creation of resilient livelihoods for farm and food workers.
- 4.1.5.4. Through our actions, Cityserve are supporting Birmingham City Council with the commitment to accelerate climate action by building and facilitating sustainable food systems transformation, by:

Developing and implementing integrated food policies and strategies as key tools in the fight against climate change; and ensuring that these instruments adopt a food systems approach that involves actors across all parts of the food chain; include metrics to assess GHG emissions reduction targets from food systems...

Reducing greenhouse gas (GHG) emissions from urban and regional food systems in accordance with the Paris Agreement and the Sustainable Development Goals and building sustainable food systems that are able to rebuild ecosystems and deliver safe, healthy, accessible, affordable, and sustainable diets for all.

4.1.5 **Sustainable Food Places – Silver Award**

Birmingham City Council is committed to working towards the Sustainable Food Places Silver Award in 2023.

- 4.1.5.1. To achieve this, as part of 5A of the award, we are required to change policy and practice to put good food on people's plates, including:
The Council developing and formally adopting a sustainable food procurement policy and strategy that promotes healthy and planet friendly diets and incorporates specific commitments to source sustainable, local, and ethical products.

Adopt healthy and sustainable food policies, including nutrition standards; healthy catering and vending; 'tap water only; local, organic, and other climate/nature friendly produce; responsibly caught/farmed fish; less but better meat and ethical standards such as Fairtrade.

Public sector organisations and large private caterers achieve recognised healthy, sustainable, and ethical food accreditation, such as Food for Life Served Here, Marine Stewardship Council and Compassion in World Farming awards.

- 4.1.5.2. In addition, as part of 5B of the award, we are required to improve connections and collaboration across the local supply chain, including:
Establishing a local cross-sector sustainable food procurement group or equivalent forum to bring together procurement officers, caterers, suppliers, and other decision-makers to drive, track and promote better catering and

procurement policy and practice.

Enable procurement officers and catering businesses to source more of their ingredients from local and sustainable producers and processors, for example via local supplier directories and through meet the supplier events. Enable small scale local producers and other sustainable food businesses to better access large scale procurement markets, for example through the introduction of dynamic food procurement and facilitated cooperative supply initiatives.

Work with procurement and supply stakeholders over a larger geographic region to develop a more strategic approach, including taking advantage of opportunities for greater aggregation and integration of local producers.

4.1.6 Coolfood Pledge – Commitment to reduce food greenhouse gas emissions by 25%

We will support Birmingham City Council by signing up to the Coolfood Pledge. This involves committing to a target of reducing the greenhouse gas (GHG) emissions associated with the food served by 25 percent by 2030 relative to a 2015 baseline – a level of ambition in line with achieving the goals of the Paris Climate Agreement.

We will report food purchase amounts by weight each year including data on all animal-based foods, as well as plant proteins, which collectively tend to make up 80-90 percent of an organisation's food-related GHG emissions.

The climate impact of food is calculated and analysed by the World Resources Institute, and they provide an annual report showing GHG emissions by food type, trends year-over-year, and comparison.

4.1.7 Birmingham Joint Health and Wellbeing Strategy 2022-2030

Cityserve support the city with achieving objectives set out in the Healthy and Affordable Food theme of the Birmingham Joint Health and Wellbeing Strategy.

Obesity (including severe obesity) in children in Year 6 (2019/2020) in Birmingham is 25.5% and in England is 21.0%. We will support with reducing the prevalence of obesity (including severe obesity) in children in Reception and Year 6 by 10% by 2030.

Research by the Children's Food Trust shows that school meals are now consistently more nutritious than packed lunches, giving the children who eat them a better foundation for good health. Cityserve provide schools nutritional "School Food Plan" compliant meals incorporating healthy vegetarian options thus contributing to obesity reduction in children via sugar reduction alternatives etc. A poor diet also has significant effects on children's behaviour, concentration, and mood. Children with diets lacking in essential vitamins, minerals and essential fatty acids tend to perform worse academically, cannot concentrate and are more aggressive.

Birmingham Business Charter for Social Responsibility (BBC4SR)

- 4.1.8 Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of the proposed multi temperature contracts. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with the procurement strategy set out in Appendix 2. The action plan of the successful tenderer(s) will be implemented and monitored during the contract.

42 **Legal Implications**

- 4.2.1 Section 114A of the School Standards and Framework Act 1998 sets out requirements for food and drink provided on school premises or at a place other than school premises.
- 4.2.2 School meals must be provided free of charge if pupil and/or a parent meet eligibility criterion set out within the Education Act 1996.
- 4.2.3 The Child and Families Act 2014 places a legal duty on all state-funded schools in England, including Academies and Free Schools to offer a free school lunch to all pupils in reception, year 1 and year 2 from September 2014.

43 **Financial Implications**

- 4.3.1 The estimated cost of the total food and non-food contract extension will be £5.6m annually. The estimated cost of food for the 'Multi Temperature' tender is approximately £5.4m per annum or £21m for the 4-year contract. All costs incurred for food purchases will be recharged to our schools on an on-cost basis, across their individual budget codes.

44 **Human Resources Implications (if required)**

- 4.4.1 None identified

45 **Public Sector Equality Duty**

- 4.5.1 EQUA840.

46 **Risk Management**

- 4.7 Suppliers may choose not to partake in the tender process, this is highly unlikely however should this be the case then we would still have the option to continue using our existing supply routes.

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5 Background Documents

- 8.1.1 Appendix 1 – Contract Extension
- 8.1.2 Appendix 2 – Multi Temperature Tender Strategy
- 8.1.3 Appendix 3 – Environmental & Sustainability Impact Assessment

Appendix 1 Contract Extensions

List of contracting arrangements on permissible extension options established through delegated award following on from the Cabinet report of March 2022 and subsequent delegated award report dated June 2022.

BCC Contract Ref	Contract Description	Contract Start date	Contract End date	Contract Start date	Contract End date	Option to extend	Current & Recommended Supplier	Annual Estimated Contract Value	Contract award
F0256R	Supply and Distribution of Fresh Meat, Fresh Frozen Meat, Cooked Meat	Jan-17	Jan-21	May-22	June-23	1 year (June-24)	Midland Foods	£220,000	TUCO Butchered Meat and Poultry Framework
F265	Supply and Distribution of Grocery	May-18	June-22	May-22	June-23	1 year (June-24)	A.F. Blakemore	£2,040,000	ESPO Framework 83_21 Grocery, Fresh, Chilled and Frozen Foods
F265	Supply and Distribution of Frozen Foods	Aug-18	Aug-22	June 23	Aug-23	1 year (Aug-24)	Brakes	£2,900,000	ESPO Framework 83_21 Grocery, Fresh, Chilled and Frozen Foods
F228	Supply and Distribution of Light Catering Equipment	Jan-14	Feb-18	May-22	June-23	1 year (June-24)	WV Howe	£83,000	ESPO Framework 98_22 Catering Equipment
F228	Supply and Distribution of Disposables	Jan-14	Feb-18	May-22	June-23	1 year (June-24)	Nobisco	£200,000	ESPO Framework 98_22 Catering Equipment
F214	Supply and Distribution of Food Court Concepts	Jan-14	Jul-18	May-22	June-23	1 year (June-24)	Theo's	£55,000	TUCO Framework Catering Innovation

									and Concept Solutions stage 2 call off
F214	Supply and Distribution of Food Court Concepts	Jan-14	Jul-18	May-22	June-23	1 year (June- 24)	TUGO	£8,000	TUCO Framework Catering Innovation and Concept Solutions stage 2 call off
F214	Supply and Distribution of Food Court Concepts	Jan-14	Jul-18	May-22	June-23	1 year (June- 24)	Pasta King	£49,000	TUCO Framework Catering Innovation and Concept Solutions stage 2 call off

Appendix 2 – Procurement Strategy for the ‘Multi Temperature’ tender

1 Executive Summary

- 1.1 This strategy sets out the approach to delivering a multi temperature tender of Fresh/Fresh Frozen/Cooked Meats, Milk Dairy & Morning Goods, Grocery & Frozen Goods in line with the strategy proposed below. The proposed contracts will be for a period of 4 years commencing on 1st September 2023, subject to satisfactory performance and budgetary availability. The estimated combined value of the contracts based on historical/forecast data is £5.4m per annum or £21m over the contract period.
- 1.2 The contracts in scope for the multi temperature tender are set out in the table below.

BCC Contract Ref	Revised Contract Start Date	Contract Description	Current Supplier	Annual Contract Value
F0256R	September 2023	Supply & Distribution of Fresh Meat, Fresh/Frozen Meat, Cooked Meat	Midland Food	£220,000
F0258	September 2023	Supply & Distribution of Milk, Dairy & Morning Goods	Johal Dairies	£291,000
F265	September 2023	Supply & Distribution of Grocery Goods	AF Blakemore	£2,040,000
F265	September 2023	Supply & Distribution of Frozen Food	Brakes	£2,900,000

- 1.3 This will enable the Council to support the public health agenda and Childhood obesity trail blazer work streams by providing nutritious, healthy and balanced meals to the children of Birmingham.

2 Outcomes Expected

- 2.1 The following outcomes are anticipated because of the proposed ‘Multi Temperature’ procurement process to be carried out:
- Consolidated supply chain possibly moving from 4 suppliers to 2
 - Aggregate spend & less deliveries should lend itself to cost savings due to efficiency gains.
 - Consolidated deliveries, the combined annual delivery drops for the suppliers identified for the ‘Multi Temperature’ tender equates to 42,800. If we can consolidate this down to one supplier, the delivery drops could be reduced to around 15,000. This not only brings huge CO2 benefits but also Health & Safety, back office and management time benefits.

- In line with BBC4SR December 2018 revision suppliers will need to support the eradication of single use plastics (SUPs)
- Suppliers will need to ensure their vehicles are compliant with the Clean Air Zone regulations ready for summer 2020. This will support reduced emissions within the City and where possible employ a local workforce to reduce commuting into and out of the City
- Increased volume of produce sourced locally and increased uptake of 'seasonal produce'
- The successful supplier will need to work with Birmingham City Council to support the reduction in childhood obesity through increased uptake in healthy food options.
- The successful supplier will need to work with Birmingham City Council, and the Birmingham Food Strategy System, to support the vision of creating a fair, sustainable and prosperous food system and economy, where food options are nutritious, affordable and desirable so everyone can thrive. The successful supplier will also need to work alongside the Birmingham Food System Strategic Working Group for Sourcing.

3 Market Analysis

- High volume of competition but limited growth
- Brexit outcome could impact on pricing and availability of products
- Environmental factors e.g. weather conditions can make the market volatile
- Short shelf life of fresh goods means low order values and inability to stock pile volume
- High reliance on imports from abroad can mean that exchange rate fluctuations impact on pricing
- Awareness of severe dip in available labour e.g. HGV drivers

4 Strategic Procurement Approach

The following procurement options were considered:

- 4.1 **Further competition under Eastern Shires Purchasing Organisation (ESPO) frameworks (i) Grocery, Fresh, Chilled & Frozen Foods (83_21) & (ii) Milk and Dairy Products Framework 120_21** (see table below) these frameworks commenced 01/08/2021 & 09/02/2022 respectively for 4 years and are fully compliant with Procurement regulations. Suppliers listed on such frameworks have been assessed by ESPO during the procurement process for their financial stability, track record, experience and professional ability saving the Council time and staff resources in not having to do this. It is therefore recommended that an award be made, in line with the terms of the further competition exercise, under the ESPO frameworks as it meets the Council's needs.

Cityserve requirements/Scope	Awarded Number of suppliers	Proposed Framework	Proposed call off procedure
Supply and Distribution of (a) Fresh Meat, (b) Fresh Frozen Meat, (c) Cooked Meat, (d) Grocery & (e) Frozen Food	1	ESPO Framework 83_21 Grocery, Fresh, Chilled & Frozen Foods	Mini competition

Supply and Distribution of Milk & Dairy and Morning Goods	1	ESPO Framework Milk and Dairy Products Framework 120_21	Mini competition
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- 4.2 **To tender for a Birmingham only contract.** - the option to tender this opportunity as a Council framework agreement or contract was considered and discounted on the basis that suppliers listed on such frameworks have been assessed by ESPO during the procurement process for their financial stability, track record, experience and professional ability saving the Council time and staff resources in not having to do this. It is therefore recommended that an award be made, in line with the terms of the further competition exercise, under the ESPO frameworks as it meets the Council's needs.
- 4.3 **Contract duration** – the proposed duration of both contracts is four years with a termination clause of 3 months' notice should the supplier fail to meet the terms and conditions of the contract

Scope & Specification

- 4.4 The aim of the tender is providing a range of Fresh/Fresh Frozen/Cooked Meats, Milk Dairy, Morning Goods, Grocery & Frozen Goods to schools, civic and care home and day centres.
- 4.5 In order to achieve the requirements of the contract the successful supplier must satisfy all of the following

Due Diligence Suppliers will be required to meet the mandatory standards and certifications e.g. Government Buying Standard and provide commitment to work with Cityserve to meet the standards of the Coolfood Pledge, SFP Silver Award Key Issue 5, and the Birmingham Food Strategy Food Sourcing Workstream.	Pricing The pricing must be held for a period of six months. Any changes in pricing must have been subject to ongoing mitigation discussions and be notified in writing and accompanied by proof of increase. Once pricing has been agreed between the parties this must be communicated to Cityserve electronically by midday on the last Thursday of the month for implementation on the first Monday of the new month.
Waste and Plastic Reduction Suppliers will be required to demonstrate ways in which they can reduce their reliance on single use plastics and other waste e.g. cardboard	Delivery coverage Suppliers must be able to deliver to all sites within the Birmingham City Council estate.
Delivery Vehicles All delivery vehicles must meet the required standards outlined in the tender document.	Good Value for Money An organisation that provides best value and high quality products
Support Provide advice and support to all sites within the Birmingham City Council estate	P2P The successful supplier will need to operate using Birmingham City Councils preferred P2P platform

5 Procurement Approach - ESPO Framework 83 21 Grocery, Fresh, Chilled & Frozen Foods and Milk and Dairy Products Framework 120 21

- 5.1 The Grocery, Fresh, Chilled & Frozen Foods framework consists of multiple lots. A description of those lots can be found at [Grocery, Fresh, Chilled and Frozen Foods \(espo.org\)](#). The [Milk and Dairy Products \(espo.org\)](#) is a single lot framework.

The goods required here fall under lots

Framework 83 21 Grocery, Fresh, Chilled & Frozen Foods	
Lot 3 – Fresh Meat, Fresh Frozen Meat, Cooked Meat, Grocery & Frozen Food, Milk & Dairy Products	Supplier
	Bidfood
	Blakemore Food Services
	Brake Bros
	Creed Food Service
	Harlech Foodservice
	Hopwells
	Kent Frozen Foods
Milk and Dairy Products Framework 120 21	
Milk & Dairy Products	Embleton Hall Dairies Limited
	Pensworth
	Fresh Pastures Ltd

- 5.2 The protocol of the framework agreement is for either a direct award or for a further competition exercise to be undertaken. Given the size of the Council's requirements a further competition will be undertaken to drive best value and to drive best-in-class to environmental and sustainability.

6 Structure of the further competition

- 6.1 Tenders will be evaluated using the quality / social value / price in accordance with a pre-determined evaluation model. The quality element will account for 30%, social value 20% and price 50%. This quality / social value / price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

- 6.2 The evaluation of tenders for each lot will be divided into three assessment areas as detailed below:

- i. **Quality (30% Weighting)** - Tenders will be evaluated against the specification in accordance with the pre-determined evaluation model described below:

Criteria	Overall Weighting	Sub-weighting
Service Delivery	100%	50%
Organisation and Resources		25%
Account Management		25%

Tenderers who score less than 60% of the quality threshold i.e. a score of 60 out of a maximum quality score of 100 (60 marks out of 100) will not proceed to the next stage of the evaluation.

ii. Social Value (20%)

	Sub-Weighting	Sub-Criteria	Theme Sub-Weighting
Living Wage			Pass/Fail
Qualitative	12%	Local First – Employment & Sourcing	30%
		Partners in Communities	15%
		Good Employer	10%
		Green and Sustainable	25%
		Ethical Procurement	20%
			TOTAL 100%
Quantitative	8%	BBC4SR Action plan	Total of Action Plan Value (£) score
			TOTAL 100%
Overall Social Value	20%		

- iii. **Price (50%)** - Tenderers will be expected to submit pricing against the products listed in the pricing schedule. After rejecting bids which in the opinion of the Council are unrealistically high or low (in terms of Price), the lowest price will be given 100%. Other prices will then be expressed as a proportion of the lowest price.

Overall Evaluation

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. The maximum social value score will be awarded to the bid that demonstrates the highest social value. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed framework agreement will be awarded to the first ranked tenderers.

7 Evaluation Team

The evaluation of tenders will be undertaken by officers from Cityserve, supported by the Corporate Procurement Services.

8 Indicative Implementation Plan

ITT Issued	July 2023
ITT Return	July 2023
Evaluation Period	August 2023
DPR Approval (Award)	August 2023
Contract Award	August 2023

Mobilisation period	August 2023
Contract Start	1 st September 2023

9 Service Delivery Management

9.1 Contract Management

The contract will be managed operationally by the Commercial Lead, Cityserve, Finance and Governance and chair monthly contract review meetings within the first 2 weeks of the following month.

9.2 Performance Management – performance will be monitored against the following key performance indicators

KPI	Description	Requirement	Target	Critical Point
1	Deliveries	Deliveries made in the required timeframe.	99%	98%
2	Complaints	Recorded and responded to within 48 hours. Measured and reported at Contract Management meetings. Any complaints taking longer than 48 hours to resolve will be discussed at contract review meetings.	Less than 0.75% of orders raised	> 1.5% of orders raised
3	Order Fulfilment	Level of products delivered excluding substitutions. (Based on products ordered against product delivered).	97%	94%
4	Short Deliveries/ damages	Items that are missing or damaged on delivery must be replaced by 10am on the next working day.	99%	98%
5	Management Information	<ul style="list-style-type: none"> Provision of accurate and timely electronic management data: Sterling sales by delivery point, by month & YTD Product sales by delivery point by month & YTD Order fulfilment Number of deliveries and sales value by delivery point 	Submitted to Cityserve Procurement by the 10 th day of the month following delivery	15 th day of the month following delivery
6	Payment of rebates	Prompt payment of Cityserve invoices of rebate and Central Billing fee.	Payment received within 30 days of invoice	Payment 35 days following invoice date
7	Credit Notes	Processing and issuing of credit notes via Birmingham City Councils preferred P2P platform.	99% of credit notes issued to P2P system within 48 hours of the claim for credit	97% received within 48 hours