

ABERDEEN CITY COUNCIL

COMMITTEE Finance and Resources

DATE 6th December 2011

DIRECTOR Stewart Carruth

TITLE OF REPORT Request for Authority to Tender for Fruit and Vegetables

REPORT NUMBER: CG/11/153

1. PURPOSE OF REPORT

This report seeks the approval of the Committee to conduct a tender exercise for the provision of Fruit and Vegetable supplies to the Council's Education and Social Care establishments.

2. RECOMMENDATION(S)

It is recommended that the Committee approve:

- (i) The Central Procurement Unit (CPU) conducting competitive tendering exercises in line with Council Standing Orders, Financial Regulations and EU Legislation for the provision of Fruit and Vegetables.
- (ii) Delegated authority for the Head of Procurement, in conjunction with the Head of Legal & Democratic Services and the Head of Finance to award contracts/ places on frameworks to the highest scoring compliant bidder, on the basis of the most economically advantageous offer, as set out under Standing Order 7 (6) of the Councils' Standing Orders Relating to Contracts and Procurement.

3. FINANCIAL IMPLICATIONS

The Council spent approximately £235,000 on Fruit and Vegetable supplies during the 2010/11 financial year. Due to the volatile nature of the market, it is unlikely any marked savings will be made through this tender. However, by using six monthly fixed pricing periods, the Council will be able to ensure predictability of costs which is particularly important for school and care home kitchens.

It is the Council's intention to pursue a collaborative tender in conjunction with Aberdeenshire Council to maximise buying power and improve value for money. A collaborative contract would raise annual

spend to approximately £610,000. The proposed contract duration is for 4 years starting after the summer break in 2012.

4. OTHER IMPLICATIONS

The spend on fruit and vegetables is above the threshold set under the Public Contracts Scotland (2006) Regulations – and so tendering must be undertaken in accordance with these regulations.

There are no EHRIA implications, as any Service delivery to accompany the goods will be delivered as it has previously.

5. BACKGROUND/MAIN ISSUES

This tender process will be run by the CPU in conjunction with all internal stakeholders and Aberdeenshire Council, as a tender for supply throughout the region, split into four lots (City, North, West and South). The tender shall be awarded on the most economically advantageous basis, and shall give consideration to quality of product, service levels, implementation plans and sustainability.

Market analysis has been conducted in the development of the procurement strategy and at least five major suppliers have a stated interest, including suppliers based within or near to the City.

A three year contract shall be awarded with the Council having an option to extend for a further year. Price volatility within the fruit and vegetable market is the key issue in purchasing, and for this reason six monthly price fixes will be agreed, with a facility to exit the contract at six months' notice should both parties fail to agree prices at any point.

6. IMPACT

Given that the fruit and vegetables to be supplied will be consumed by children, citizens in care and employees, there is a clear public interest in this tender.

The following outcomes derived from the SOA are relevant:

National Outcome 5: Our children have the best start in life and are ready to succeed.

Local outcome: Improve the healthy development of young children and their families, particularly those children most at risk (National Priority for Health Improvement).

National Outcome 6: We live longer, healthier lives.

Local outcome: Work towards a position where people in Aberdeen experience health that equals or is better than the best in Europe. (Joint Health Improvement Plan & HEAT targets).

National Outcome 14: We reduce the local and global environmental impact of our consumption and production.

Local outcome: The impact of council activities on the environment is minimised, including a target of being carbon neutral overall by 2020 and a commitment that all new council developments will be carbon neutral. (VD&FL).

7. BACKGROUND PAPERS

N/A

8. REPORT AUTHOR DETAILS

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