

Supply of Groceries and Ambient Products

REPORT TO; Corporate Director Strategic Resources; Gary Fielding

DECISION DATE: 18th March 2022

SUPPORTING ANNEX; None

PROPOSED RECOMMENDATION

It is recommended that the Council continue to purchase groceries and ambient products from Yorkshire Purchasing Organisation's (YPO) catalogue for a period of 2 years from 1st April 2022, with an option to extend for a further period of 2 years.

BACKGROUND TO SUPPORT THE RECOMMENDATION

NYES Catering is responsible for providing produce to all Elderly Persons Homes (EPH's), Outdoor Education Centres (OEC's) and schools, where they subscribe to the traded service.

The Council has purchased ambient products directly from YPO since 2018. Products are purchased from YPO's catalogue, however, the arrangement has been reviewed every two years in order to establish whether this approach remains the most appropriate and best value option. To date the decision has been to maintain the arrangement through YPO.

The anticipated whole life cost of this arrangement, including the optional extension, is estimated in the region of £6,500,000, however the spend is variable depending on demand. Market and supply disruptions in this area has led to price increases and as such, NYES Catering will work closely with YPO to attempt to control pricing where possible (e.g. through the purchase of alternative products etc.). YPO require their suppliers to provide justification and evidence of any price increases before they are accepted and passed on to customers. As such the service has assurances that price increases are challenged, and delayed where possible.

LEGAL AND GOVERNANCE COMPLIANCE

The ability to extend the current arrangement falls under Paragraph 37 of the Public Contracts Regulations 2015 (Centralised Purchasing Activities and Central Purchasing Bodies) as follows:

(4) A contracting authority fulfils its obligations under this Part when it acquires supplies or services from a central purchasing activity referred to in paragraph (10)(a) (Specific Exclusions for Service Contracts).

10) In these Regulations, "centralised purchasing activities" means activities conducted on a permanent basis in one of the following forms:—

(a) the acquisition of supplies or services, or both, intended for contracting authorities.

As the whole life cost of the contract exceeds the financial thresholds specified in Rule 18.2 of the Council's Procurement and Contract Procedure Rules, the Gateway process has been completed and signed off by the relevant officers.

RECOMMENDATION

It is recommended that the Council continue to purchase groceries and ambient products from Yorkshire Purchasing Organisation's (YPO) catalogue for a period of 2 years from 1st April 2022, with an option to extend for a further period of 2 years.