Item 10

24th November 2022

Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick Ext: 76406

The Supply and Delivery of Catering Disposable Products

Tender Reference: - GCC005538CPU

Purpose of Report:

To submit details of the tenders received for supply and delivery of catering disposable products and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for the supply and delivery of catering disposable products to the supplier listed below.

Bunzl UK Limited t/a Bunzl Catering Supplies Limited
Companies House Number 2902454

Ward No(s): Xxxxxxxx Citywide: ✓

Local member(s) advised: Yes ☐ No ✓ consulted: Yes ☐ No ✓ ☐
☐

1 Background and Tender

1.1 Glasgow City Council's ("the council's") annual average historic spend for the supply and delivery of catering disposable products is £314,819.

1.2 The council's requirements and spend for these goods have varied over the last 3 years due to Covid restrictions and changes in legislation relating to single use plastics which has inadvertently resulted in a restriction to product choice.

1.3 To ensure the estimated contract value and requirements were representative of the council's future demand, a spend review was taken from 2020 through to 2022. This showed an overall three years spend of £944,457 and 476 different products purchased. This spend is split across Catering and Facilities Management (CFM) £719,425 (77%), which includes Encore and Cookfreeze, Health and Social Care Partnership (HSCP) £211,812 (22%) and Education Services £13,220 (1%).

1.4 A further review of the 476 products resulted in the removal of 280 products, with all products removed that are no longer compliant with the council's plastic reduction strategy and/or Scottish Government legislation as detailed below:

Scottish Government Single Use Plastic Ban came into effect on 12 August 2022 and banned the supply and use of the following single use plastic products: beverage stirrers, cups and lids made of expanded polystyrene (foam), cutlery, food containers made of expanded polystyrene (foam) and plates. This has increased demand for compliant products throughout Scotland.

1.5 The remaining 196 core items, which comply with current legislation, gave a new annual spend value of £261,991 and subsequently formed the basket of goods in the tender evaluation and estimated contract value.

1.6 A commodity team consisting of stakeholders from Corporate Procurement Unit (CPU) and CFM was formed to develop the sourcing strategy and deliver a new contract.

1.7 In line with the efficiency and effectiveness aim of the council's Corporate Procurement and Commercial Improvement Strategy 2018-2022, located at https://www.glasgow.gov.uk/CHttpHandler.ashx?id=42092&p=0, (which promotes consideration of National and Collaborative Frameworks), it was agreed that a mini competition tender process from Lot 1 of Scotland Excel's (SXL) Framework for the supply and delivery of catering sundries, reference 19-19, would be the most appropriate method to deliver this contract.

1.8 The duration of the contract is for an initial period of 12 months with an option to extend by 2 x up to 12 months extensions, commencing 12 December 2022 to 11 December 2025, inclusive of any extension periods. This will take the contract past the end date of the SXL framework. This option has been included to give the council cover/flexibility should there be any delays re the re- tender and award of the new SXL framework.

1.9 The Purchase to pay route is via a PECOS catalogue.

1.10 The contract will be utilised by CFM, HSCP and Education.

2 Evaluation

2.1 All 6 suppliers on Lot 1 of the SXL framework were invited to tender. 4 submitted a bid and 2 were unable to meet the tender return date.

2.2 The award evaluation was based on the following criteria and weightings:-

Lot	Price	Quality	Quality Sub Criteria
1	80%	20%	Compliance with Legislation 8%
			Mobilisation of the Contract 2%
			Supply Chain 5%
			Environmental 5%

2.3 The evaluation of award scoring and estimated award value of the supplier which has been recommended for award is shown in the table below:

Description	Supplier	Total Evaluation Score	Estimated Award Value 3 years	Rank
Supply and Delivery of Catering Disposable Products	Bunzl UK Limited t/a Bunzl Catering Supplies Limited	98.70	£794,890	1

A summary of the unsuccessful tender evaluation results can be found at Appendix A.

2.4 This contract has resulted in an overall annual cost increase of 1.1% against current rates. There are several cost drivers which impact this commodity, key areas details are as follows:

Paper and Pulp shortages, this has resulted in paper mills and manufacturers having increased costs up between 10% and 20% earlier in 2022. Products that are affected by this include: coasters, coffee cups & lids, cold drink cups & lids, napkins, portion pots and lids, salad containers & lids and soup containers & lids.

Plastic Packaging Tax legislation, any plastic packaging items manufactured or imported into the UK, containing less than 30% recycled plastic, will be liable under the tax and are charged at £200 per tonne. Products that are affected by this include: caddy liners, clingfilm, coffee cups & lids, cold cups & lids, food bags, plastic portion pots and plastic.

2.5 We have been able to identify 34 products that are a match with items on the SXL framework, comparing rates and volumes shows a 14% improvement against the rates secured in the mini-competition.

2.6 CFM will monitor the supplier's day to day operational performance. Overall contract and supplier performance will be managed by the CPU.

3 Policy and Resource Implications

Resource Implications:	
Financial:	The anticipated annual contract value is £264,963, amounting to a total contract value of £794,890 over the three years, if the extensions are taken. The contract will be funded by the service areas revenue budgets. This contract has resulted in an annual increase of £2,973 (1.1%) increase against current rates. Commercial Clarifications with the supplier, have resulted in an annual cost avoidance of £3,406. The contract will be awarded on the recommended supplier's tendered rates and not on the estimated contract value. The rates are fixed for a minimum of 3 months.
Legal:	The report raises no new legal issues. The Director of Legal and Administration will be responsible for concluding the contract.
Personnel:	No direct personnel implications.
Procurement:	Mini competition as detailed in section 1.7
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's	The proposal supports best practice in the procurement of goods.

Equality Outcomes 2021-25

What are the potential equality impacts as a result of this report?	No impacts
Please highlight if the policy/proposal will help address socio economic disadvantage.	Fair Work Practices – all suppliers were evaluated on fair work practices at 5% weighting on appointment to SXL Framework. The recommended supplier is not an accredited real living wage employer but has confirmed they pay staff the real living wage. The recommended supplier does not utilize zero hours contracts. They provide training and development opportunities, apprenticeship programme, family friendly working policy and employee benefits available to all staff. Community Benefits – the recommended supplier has offered the following: 3 x fund raising event for external charities / initiatives within Glasgow Area 3 x Engage in community projects 3 x work experience visits 2 x training sessions 1 x employability workshop 2 x donation of materials and/or labour to £250 1 x sponsorship to £500 1 x recruitment from within Glasgow area for a full-time permanent position
Climate Impacts: *Does the proposal support any Climate Plan actions? Please specify:*	Climate Emergency Action Plan Nr 45 – Support the Delivery of the Plastic Reduction Strategy
What are the potential climate impacts as a result of this proposal?	The recommended supplier has confirmed the following: • Energy efficiency measures in warehouses • Working towards100% renewable energy only used in their offices and warehouses • Efficiencies in transport by reducing the amount of fuel used, by investing in energy efficient vehicles, routing systems,

	monitoring of driving efficiencies, and continued training for drivers • 25% improvement in carbon efficiency by 2025 • Working with suppliers to reduce material content and make it easier to recycle
Will the proposal contribute to Glasgow's net zero carbon target?	The recommended supplier will contribute as follows: • Providing regular reports to show the footprint for all current products purchased, if there are better options and costs • Removing all unnecessary plastics from packaging • Transitioning fleet to low and zero carbon solutions including electric vehicles and renewable HVO fuel
Privacy and Data Protection impacts:	No data protection impacts identified.

4 Recommendations

The Contracts and Property Committee is requested to approve the award of a contract for the supply and delivery of catering disposable products to the supplier listed below.

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Appendix A

Description	Supplier	Total Evaluation Score	Rank
Catering Disposables	Alliance Disposables Limited (Companies House number: 03747333)	94.40	2
	Instock Limited (Companies House number: SC055376)	85.78	3
	GMC Corsehill (Companies House number: SC122617)	70.52	4