

REPORT TO: Executive Board Sub Committee

DATE: 5 March 2009

REPORTING OFFICER: Strategic Director – Health & Community

SUBJECT: Contract extension for the provision of Community Meals

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To request the waiving of procurement standing orders 3.1 to 3.7 which places a requirement on the Council to tender for contracts with a value greater than £50,000 but not exceeding £1,000,000.

2.0 RECOMMENDATIONS: That in the exceptional circumstances set out below, for the purposes of standing order 1.6, procurement standing orders 3.1- 3.8 be waived in order for the existing contractual arrangements to be extended until 31st March 2010 and in order that during the period of extension the Council will complete a competitive tendering exercise for the Community Meals Service.

3.0 SUPPORTING INFORMATION

3.1 The current community meals contract has been in operation for 3 years following a re tendering process that took place in 2006; and is due to end on 31st March 2009.

3.2 The service provides an average of 58,000 hot meals and 17,628 teatime packs to residents across the Borough on an annual basis. The cost of providing a hot meal is currently £4.50 per meal (Includes transport, administration and food costs). A continued overall reduction in the costs of a meal is to some extent dependent on the continued development and expansion of alternative service options, with an overall aim of ensuring this service is cost neutral i.e. no subsidy required from the Council.

3.3 Feedback from people using this service is good and the current service is performing well. This report seeks approval to extend the existing contractual arrangements until 31st March 2010 and to commence a competitive tendering exercise for this service in September 2009, with a view to awarding a new contract from April 2010.

3.4 The new specification for the provision of meals will require the meals provider to continue to use the in house Council transport

service for the delivery of meals.

3.5 The proposed tender process will enable the Council to update the service specification to include clearer outcomes and targets. In addition it is proposed that the specification will include an ongoing requirement for provider to develop the service in partnership with the Council and service users to ensure that it continually provides a service that meets peoples identified needs and preferences.

3.6 In order to focus on providing additional supported employment placements to people and to underpin the Council's commitment to assisting people to access paid work, potential providers will also be asked to commit to the Councils supported employment policy.

3.7 It is proposed that the new contract will last for a period of 3 years and will offer an option to extend beyond that for a further 2 years, subject to specified outcomes being delivered and specified targets being met.

4.0 BUSINESS CASE SUPPORTING THE PROPOSAL TO WAIVE

4.1 Value for money

4.1.1 The current service is viewed as offering value for money in that the unit cost is comparable to that with our CIPFA comparator authorities and the service is of a good quality. However, by undertaking a competitive tendering exercise in 2009 the authority will be retesting the market to ensure continued value for money.

4.2 Transparency

4.2.1 The quality of the service will continue to be reviewed by the Operational Director for Older People and the proposed tender process will be open to public scrutiny under the freedom of information and Local Government acts. The process will also be subject to scrutiny by internal audit.

4.3 Propriety and Security

4.3.1 The usual anti-corruption integrity clauses are built into the contract document and only staff with a need to know will have information about the contract.

4.4 Accountability

4.4.1 Accountability for the report and recommendations would remain with the relevant Operation Director. The decision is a matter for the Sub-Committee but would appear to be consistent with the Council public stewardship duties in relation to use of resources. The process and paperwork is open to the annual audit process, internal

audit and access by other regulatory and enforcement bodies.

4.5 **Position of the contract under the Public Contract Regulations 2006**

4.5.1 As this is for care services (Health and Social Care services) this contract is largely exempt from the 2006 Regulations so there is no need to advertise for expressions of interest in the official Journal. However, it is necessary to advertise the award of contract within 48 days of the date of the award.

5.0 **POLICY IMPLICATIONS**

5.1 None identified.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The estimated cost of the 12-month extension to the existing service is £156,948 as below:-

Current & Extension Costings

	Est. No Delivered Per Year	Food Cost Per Meal	2008/09 Est Yearly Food Cost	2009/10 Extension
Meal Packs	58,000	2.64	153,120	156,948

6.2 Following a tender exercise, the estimated contract value over 5 years (3 years with an option to extend by 2 years) is £845,595 broken down as follows:-

Proposed 5 Year Contract

Year 1	Year 2	Year 3	Year 4	Year 5	Total
160,872	164,893	169,016	173,241	177,572	845,595

Note - each year includes an estimated 2.5% increase

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

None identified.

7.2 **Employment, Learning & Skills in Halton**

There will be an expectation that the successful provider will be required to commit to the Councils supported employment policy.

7.3 **A Healthy Halton**

Promotion of healthy eating through the delivery of a healthy meals service that meets dietary and nutritional requirements.

7.4 **A Safer Halton**

The use of the Council's transport service to deliver meals means that people will feel safe to open their doors or to allow drivers to access their key safe codes to gain entrance to their homes.

7.5 **Halton's Urban Renewal**

None identified.

8.0 RISK ANALYSIS

8.1 The Community Meals service has a business continuity plan. The new contract requires the successful provider to assist in any emergency planning response that the Council has to undertake.

9.0 EQUALITY AND DIVERSITY ISSUES

9.1 None identified.

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.