

# **WIRRAL COUNCIL**

## **CABINET**

**25 NOVEMBER 2010**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **SUPPLY OF FRESH FRUIT & VEGETABLES**

##### **1. EXECUTIVE SUMMARY**

- 1.1 Cabinet are requested to award a contract for the supply of fresh fruit and vegetables to Ron Chalker (The Potato Man). The report outlines the procurement process undertaken.

##### **2. BACKGROUND**

- 2.1 The main users of this contract are Primary Schools, Residential Homes, Day Care Centres and Family Centres.
- 2.2 The Authority originally let a contract to Fresh Direct for the supply of fruit and vegetables for the period 1 November 2007 to 31 October 2010, with the option to extend for one year.
- 2.3 In July 2010, with three months of the contract still to run, the Procurement Team were informed by Fresh Direct of their intention to withdraw from the contract with immediate effect, citing strategic and delivery issues.
- 2.4 The Procurement Team informed Fresh Direct of their obligation to fulfil the remainder of the contract to the end of October 2010. After a period of negotiation Fresh Direct reluctantly agreed to this and a provision was put in place to ensure continued deliveries.
- 2.5 The intention had been to use the one year extension option until 31 October 2011. Due to Fresh Direct's withdrawal, the Procurement Team immediately contacted TUCO Purchasing (formerly Scottish and Northern Universities Purchasing Initiative - SNUPI) to enquire about joining their existing framework contract for the supply of fresh fruit and vegetables.
- 2.6 SNUPI is a public body and has been used for a number of years by the Authority for various catering framework arrangements.

### **3. TENDER PROCESS**

- 3.1. In August 2010 the Procurement Team made an assessment of all suppliers on the TUCO framework. A formal tender process was not required, under Contract Procedure Rule exemption 5.1.4, which allows for the use of another public body contract.
- 3.2. The most economically advantageous offer from those suppliers listed on the framework was identified as Ron Chalker (The Potato Man).
- 3.3. Discussions between the Procurement Team, user departments and Ron Chalker took place throughout August and September 2010 in order to establish capacity and delivery schedules.
- 3.4. Ron Chalker agreed in principle to supply the Authority using the TUCO framework prices. It was agreed to incorporate user departments' additional requirements into the formal contract as specification items.
- 3.5. The TUCO contract period is 11 January 2010 to 10 January 2012, with the option to extend for a further two years; the Council will join it with effect from 1 November 2010.

### **4. FINANCIAL AND STAFFING IMPLICATIONS**

- 4.1 The estimated annual spend for this contract is £270,000.
- 4.2 In awarding the contract to Ron Chalker, the saving on price compared to Fresh Direct will be £17,300 per annum. The Authority will also avoid the potential cost of an EU tender exercise.

### **5. EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 There are no ethnic minority, elderly persons or equal opportunities implications arising from this report.

### **6. PLANNING IMPLICATIONS**

- 6.1 There are no planning implications.

### **7. COMMUNITY SAFETY IMPLICATIONS**

- 7.1 There are no implications under this heading.

### **8. HUMAN RIGHTS IMPLICATIONS**

- 8.1 There are no implications under this heading.

### **9. LOCAL AGENDA 21 IMPLICATIONS**

- 9.1 There are no implications under this heading.

**10. LOCAL MEMBER SUPPORT IMPLICATIONS.**

10.1 There are no implications under this heading.

**11. BACKGROUND PAPERS**

11.1 TUCO Purchasing Framework Contract for the supply of fresh fruit and vegetables.

**12. RECOMMENDATION**

12.1 That Cabinet awards the contract for the supply of fresh fruit and vegetables to Ron Chalker (The Potato Man).

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/222/10