


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">16 JANUARY 2017</p>	
<p>SCHOOL KITCHEN REPAIR & MAINTENANCE CONTRACT – CONTRACT AWARD REPORT FOR THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM; THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA AND WESTMINSTER CITY COUNCIL</p>	
<p>Report of the Cabinet Member for Children and Education- Councillor Sue Macmillan</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Consultation: Legal, HR, Finance and Procurement have been consulted while drafting this report.</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Rachael Wright-Turner- Director of Commissioning for Children's Services</p>	
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1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to seek approval to award the contract for School Kitchen Repair and Maintenance for the London Borough of Hammersmith and Fulham (LBHF).
- 1.2. The open part of this report provides background information in relation to the rationale behind the recommendations being made and the procurement process undertaken. The exempt part of this report provides exempt

information in relation to the scores and associated commercial and budgetary implications.

- 1.3. Officers are confident that the key objectives of the procurement have been met, in that the new service will continue to provide high quality services locally at a competitive rate.
- 1.4. The procurement process has been conducted and evaluated by a national framework Eastern Shires Purchasing Organisation (ESPO). This Framework Agreement has been established through a collaborative procurement exercise undertaken by the public sector buying consortia comprising the 'Pro5 Group', a national framework which contains 6 pre-qualified providers, one of which declined to participate. ESPO conducted a full EU compliant, transparent, open tender process awarding the Framework to a large number of suppliers across 5 product/service specific Lots. In this particular interest the Councils are calling-off Lot 5.
- 1.5. A formal notice inviting expressions of interest from potential suppliers was published in the Official Journal of the European Union (or 'OJEU') in December 2013 (OJEU ref 2013/S 236-409634. The corresponding award notice is OJEU ref 2014/S 071-122241).
- 1.6. This paper recommends that a contract is awarded from the 1st February 2017 for the provision of three sovereign School Kitchen Repair and Maintenance contracts for a period of three (3) years, with the option to extend for up to a further two (2) years.
- 1.7. The Contractor will be responsible for the preventative and corrective maintenance of specified catering equipment in all school kitchens signed up to the central School Meal provision contracts, across LBHF, RBKC and WCC.
- 1.8. The prices and breakdown submitted by First in Service (FIS) has reflected the expected costs associated with running the service.

2. RECOMMENDATIONS

- 2.1. That a contract be awarded for the provision of School Kitchen Repair and Maintenance contract, for a period of three (3) years, with the option to extend for up to a further (2) years commencing 1st February 2017.

3. REASONS FOR DECISION

- 3.1 The reasons for the recommendation are as follows:
 - 3.1.1 The Contractor being recommended for award, represents the most economically advantageous tender, offering both a high quality bid and financial efficiencies.
 - 3.1.2 The Contractor provided well documented evidence of providing this service in London and scored highly in quality and pricing of the tender process.

4. BACKGROUND

- 4.1 Schools and Governing Bodies within the three Boroughs have indicated a strong preference for the Council to procure sovereign borough contracts on their behalf for the delivery of catering equipment repair and maintenance services to ensure the continuity of School Meals. To date there are 96 Schools in total which are part of the School Meals contract and will require a catering repair and maintenance contract. The breakdown of which is as follows:

	RBKC	LBHF	WCC	Totals
No of Schools	21	34	41	96
No of Primary	19	29	37	85
No of Secondary	2	5	n/a	7
Other sites	n/a	n/a	4*	4

* There are 4 additional sites currently buying into the maintenance contract, these sites may wish to continue to receive the service in the new contract. These sites are made up of 3 primary settings and 1 secondary school.

- 4.2 Provision for the maintenance and repair of school kitchen equipment in each of the three boroughs is currently being delivered under extended contracts until 31st January 2017. The existing contracts have been formalised by direct awards until 31st January 2017 after which the new contract arrangements are to commence.

Overview of service required

- 4.5 The Contractor will be responsible for the preventative and corrective maintenance of specified catering equipment in all school kitchens signed up to the central School Meal provision contracts across LBHF as per the provided inventory, which is outlined within the service specification. The equipment must be maintained in an efficient state, in good repair and in compliance with all relevant statutory provisions. The Contractor will be required to provide a preventative and corrective maintenance service during normal working hours throughout the year, except bank holidays. Maintenance frequencies and response times are set out in the specification.

5.0 PROPOSAL AND ISSUES

The procurement process

- 5.1 After thorough market research, the ESPO (Eastern Shires Purchasing Organisation) 98 - Commercial catering equipment framework (Lot 5) was selected and has been utilised as the appropriate framework for calling off for the School's Catering Equipment Repairs and Maintenance contract. The framework has a rich list of carefully vetted and selected suppliers, all with a proven track record of successfully delivering all aspects of Commercial Catering Equipment and Associated Services.

Procurement Process Overview

- 5.2 The Mini-Competition (Tender Reference - prj_RBKC_5789) was advertised through the CapitalEsourcing portal, published on 1st July 2016 and closed 31st July 2016. The tender opportunity was subject to the Council's Contract Regulations and the Public Contracts Regulations 2015.
- 5.3 The Invitation to Tender was broken into 3 stages:
- Stage 1 Compliance – Qualification Envelope – completed by ESPO
 - Stage 2 Quality Award Criteria – Technical Envelope – completed by Children's Commissioning evaluation team
 - Stage 3 Price – Commercial Envelope – completed by Children's Commissioning evaluation team
- 5.4 The ESPO 98 - Commercial Catering Equipment Framework (Lot 5) was set up with 6 providers appointed onto Lot 5 of the framework, these are; Acme Facilities Limited, Airedale Catering Equipment Limited, Coldstar (UK) Ltd, First In Service (FIS) Limited, Court Catering Equipment limited, and JLA Limited. Of the six suppliers on the framework lot 5, Coldstar, declined to participate in the mini-competition held due to workload/capacity issues, Acme Facilities and Airedale did not submit a bid while Court Catering, FIS and JLA submitted a bid. CaterCover, the incumbent provider for RBKC was unable to bid as they were not registered with ESPO. CaterCover will be advised of the outcome of the procurement once the new contract has been awarded.
- 5.5 The award of the contract is on the basis of the most economically advantageous tender (MEAT) received, taking into account both quality and price.
- 5.6 ESPO Framework 98 (Commercial Catering and Equipment Services Lot 5) outlines its weighting as follows:
- Quality 40% (within the Technical Envelope)
 - Planned Servicing
 - Reactive Maintenance
 - Equipment Repairs
 - Third Party Contractors
 - Social Value & Responsible Procurement
 - Price 60% (within the Commercial Envelope)
 - Call-out Charge
 - Labour - Hourly rate
 - Spare Parts
 - Annual servicing of equipment
 - Cleaning of extractors
- 5.7 The quality criteria which was evaluated against the 40% quality weighting, was aimed at meeting/achieving the requirements specified in the service specification that the service procured must;
- deliver the highest quality service
 - achieving economy of scale.
- 5.8 This was evidenced in the responses, as all the bids received were multi-borough bids and all offered Volume Discounts in their proposal were they to

be successful across all three boroughs. If the contracts are not agreed across the three boroughs, the Volume discounts may not still apply to the contract values.

- 5.9 The contract/ call-off term will be for an initial period of three (3) years starting from 1st February 2017 with an option to extend for a further two (2) years period (subject to satisfactory service provision), making the total contract length five (5) years if the extension is utilised.
- 5.10 After a thorough evaluation and moderation by the panel of evaluators, the submitted bids were ranked see table 1C of the exempt report.

Qualification envelope evaluation

- 5.11 All qualification questions were mandatory and candidates who failed any of them would have been excluded from the rest of the procurement process. None of the bidders failed and all were taken through to full evaluation. A financial analysis was undertaken for the top two (2) ranking bidders as these were the most viable providers at this stage of the call-off, as shown in the exempt report, section 13.
- 5.12 Each Bid must achieve a minimum level of acceptability as defined by the compliance standards set out in Table 1 Appendix 1. The Authority reserves the right to reject without further discussion any Bid which does not meet the compliance standards.

Technical (Quality) envelope evaluation

- 5.13 The specification sets out the Council's requirements for the management and delivery of the service across all 3 Boroughs, delivering preventative and corrective maintenance services to school kitchen equipment.
- 5.14 The Tender Evaluation Team consisted of representatives from all 3 boroughs; two members of the School Meal Contract team (SMCT), who are subject matter experts and a member of the Corporate Contract team for Children's services.
- 5.15 The quality factors were weighted according to their importance, with greater percentage based on meeting the specification and service outcomes. There were 5 questions in total.
- 5.16 Quality was assessed on the basis of a Bidder's written submissions in response to the questions in the Technical Envelope as set out below in table 2, Appendix 2.
- 5.17 The scoring table is set out in Table 3, Appendix 3. Each response to the award criteria was marked out of a possible score of 0 to 5. The scoring was based on the general principles and descriptions shown in Table 3.
- 5.18 All evaluators scored the questions individually on the CapitalE-sourcing portal. Moderations were then facilitated by an officer in the procurement team and an officer in the children's commissioning team; and a final score for the quality envelope was agreed.

Technical (Quality) and Commercial (Price) Award Criteria and Weightings

- 5.19 Questions in both the technical and commercial envelopes were scored using the scoring mechanism of between 0 – 5 as set out in Table 3, Appendix 3. Each question in the technical envelope were weighted according to the importance and relevance of service and specification requirements Table 4, Appendix 4 shows the sub-criteria weightings attached to the Technical (Quality Questions).

Commercial envelope evaluation

- 5.20 The pricing submission was evaluated based on the weighted scoring of 60% criteria, as shown in Appendix 5.

Compilation of percentages awarded

- 5.21 The percentages awarded to each Bid for the Price (Commercial Envelope) and Quality (Technical Envelope) elements of the evaluation were added together. The final ranking is detailed in the exempt report, section 5, Table 2.

Mobilisation and contract management

- 5.22 The mobilisation group will include the School Meal Contract team (SMCT), HR and officers from the commissioning team. The first mobilisation meeting will take place 10 days after formal approval of the contract. Schools will be informed of the change as early as possible in February 2017.
- 5.23 Part of the mobilisation process will include review of the current inventories, as stated in the tender documents the inventories were possibly not up to date on some sites, and changes to schools with some currently in the process of moving from a servery to a production site.
- 5.24 The Key Performance Indicators (KPI's) issued as part of the specification outline the elements of the service that will be monitored by the School Meal Contract team (SMCT). Robust performance management procedures are specified within the contract to ensure a clear and consistent approach to monitoring and managing service delivery. Reporting requirements and approaches should corrective measures be required are also contained within the Contract.
- 5.25 Key Performance Indicators shall apply to the full contract period. Each year the content will be subject to review to accommodate the development of the contract. These performance measures will form an integral part of the contract monitoring. Please refer to Appendix 6 for KPI details.
- 5.26 The successful supplier will provide at the end of term, service data in an agreed format for the contract management team of each Borough. Monitoring template for the contract data collection will be agreed between the contractor's authorised officer and the School Meal Contract Management

Team (SMCT) during the mobilisation phase of this contract. Please refer to clause 14.0 - Performance Reporting in the service specification for more details.

Contract Management

- 5.27 The contract will be managed by the School Meals Contract Team, within the Children's Services Commissioning Directorate.
- 5.28 The successful provider will be required to report data regarding service delivery, annual maintenance, inventory of assets, including age of equipment and timeliness of call-outs and responses in order to report on the delivery of the service. This will be reviewed through mutually agreed contract management.
- 5.29 The contract will include provision for annual service reviews to ensure the service is responsive to the needs of the contracting authorities.

Contract Termination

- 5.30 There are standard termination clauses within the contract, but no break clauses. Please refer to section 8 of the terms and conditions of the contract for further details.

6. OPTIONS AND ANALYSIS

- 6.1 Due to the commercially sensitive nature of this contract, options and analysis are presented in the exempt part of this report.

7. CONSULTATION

- 7.1 The School Meals Contract team liaised with current contractors (First in Service and CaterCover) as well as other relevant contractors including potential school meal contractors and Facilities Management Contractor, etc on the potential best long-term options prior to undertaking the mini-competition.
- 7.2 There were up to 6 potential suppliers on the ESPO framework who cover the London area, and one of those is an incumbent supplier (First in Service).
- 7.3 Only three of those suppliers bid for the service.
- 7.4 CaterCover who are the incumbent contractors in RBKC, were unable to bid under the ESPO framework as they were not registered to tender for framework 98. CaterCover have however been informed on how to register in order to become an ESPO supplier in the future. This framework will be re-tendered by ESPO during 2017. This of course does not affect our contracts.
- 7.5 Once the contract/ call-off has been awarded there will also be demobilisation meetings between the SMCT and CaterCover to draw their contract to a close and transfer any relevant details and documentation to the new provider. As CaterCover did not identify any staff under TUPE arrangements, there will be

not staff transferring to the new provider. Preparation of the demobilisation of the contract and future communication will be managed by the SMCT and requesting review and updated asset register of equipment.

- 7.6 Engagement with schools was undertaken as part of the School Meals working party.

8. EQUALITY IMPLICATIONS

- 8.1 An initial Equality Impact Assessment (EIA) was carried out by project staff when the project was initiated in February 2016 and has remained live during the course of the procurement. The initial indication that there will be no impact on equalities, and this outcome has remained the same throughout the procurement process.

9. LEGAL IMPLICATIONS

- 9.1 The school catering equipment repair and maintenance contract is subject to full regime of applicable Public Contracts Regulations. Using the ESPO Framework for further mini-competition was in compliance with the boroughs' obligations under the Public Contracts Regulations 2006 under which the Framework was procured.
- 9.2 Sovereign contracts between each borough and the selected service provider will ensure smooth operation of the contracts in accordance with each borough's requirements. Three separate sovereign contracts will be awarded, one for each borough with the same supplier.

Legal Implications provided by Babul Mukherjee, Senior Solicitor (Contracts), Shared Legal Services. T: 02073613410, E: babul.mukherjee@rbkc.gov.uk

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 It is important to note that overall the current contract values, detailed in the exempt report, have not increased in value since 2004 (nearly 11 years). The budget for the maintenance charge was just one element of the service level agreement between schools and each respective Local Authority for the provision of the school meals within the central service contract. Any underspends within each budget line at the end of the financial year would be credited back to the schools after reconciliation of all costs for the school meal provision.
- 10.2 The budget for this service will be funded from the dedicated schools grant (DSG). Those schools signed up to the agreement will be recharged termly in arrears. For all three boroughs, school kitchen equipment repair and maintenance costs are recharged to schools via a traded service. This invoicing arrangement will continue under the new contract.
- 10.3 In line with the London Borough of Hammersmith and Fulham (LBHF) policy, the preferred Contractor has confirmed that all staff are remunerated in

accordance with the London Living Wage (LLW) and will continue to be for the duration of the contract.

Financial Risk Assessment (Suppliers Credit Check)

- 10.4 The financial status of the first two (2) ranked suppliers was carried out by the finance team (Using Credit Safe) the outcome from this evaluation is detailed in the exempt report, section 12. The contract will be subject to robust contract monitoring and we will maintain the ability to call on the existing ESPO framework if required.

Financial Implications provided by Michael Hallick, Lead Education Business Partner - Children's Services. E: mhallick@westminster.gov.uk

11. IMPLICATIONS FOR BUSINESS

- 11.1 Implications for business were considered throughout the procurement. This report recommends the award of the maintenance contract to First in Service (Ltd), who happens to be the existing provider, through the ESPO framework which will allow for business continuity within the borough.

12. OTHER IMPLICATION PARAGRAPHS

HR IMPLICATIONS

- 12.1 The Authority considers that TUPE is likely to apply to LBHF only (unless there is a legal reason for it not to apply) in respect of employees currently engaged in the provision of the Services. If the contract is awarded to First in Service (FiS), this mitigates against any TUPE requirements.
- 12.2 There are no TUPE implications which directly affect any of the Councils. The service provider must take its own legal advice to establish whether there are any TUPE implications, in particular for those staff working for CaterCover (the incumbent provider for RBKC).
- 12.3 If FiS are awarded this contract, then TUPE would not apply to the staff currently engaged on the contract as there would not be a service provision change.

**HR Implication comments provided by:
Romilly Tolhurst, Hr Consultant (Children's Services) – RBKC/ LBHF.
E: Romilly.Tolhurst@rbkc.gov.uk**

RISK

- 12.4 Risk has been considered throughout the procurement process and will continue to be managed through the mobilisation and into performance management of the contract. The department has a risk management framework in place for the purpose of identifying and managing risk and adheres to the corporately provided guidelines.

**Risks reviewed by Michael Sloniowski, Shared Services Risk Manager.
T: 020 8753 2587.**

*Rachael Wright-Turner
Director of Commissioning for Children's Services*

13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1	Table 1: Compliance Criteria
Appendix 2	Table 2: Quality breakdown
Appendix 3	Table 3: 0 to 5 (Zero to Five) Marking Scheme
Appendix 4	Table 4: sub-criteria weightings attached to the Technical (Quality Questions)
Appendix 5	Table 5: Commercial envelope: pricing submission
Appendix 6	KPIs
Appendix 7	Additional Information

Table 1: Compliance Criteria

Compliance Standard	Rationale
Compliant and bona fide Bid	There is no material breach of ITT conditions; that the Bid is complete; that there is no collusion or corruption or anti-competitive behaviour; and that all required information is provided.
Legal Acceptability	There is no legal impediment to the Authority entering a contract with the successful Bidder in the Authority's form.
Complete Bid	The Bidder has confirmed that it is able to provide the Services as detailed within the Service Specification.

Table 2: Quality breakdown

No.	Description of Quality Criteria	Weightings
1	Mobilisation of Contract	5%
2	Planned Servicing	6%
3	Reactive Maintenance and Equipment Repairs	17%
4	Third Party Contractors	8%
5	Social Value & Responsible Procurement	4%
	Total	40%

Table 3: 0 to 5 (Zero to Five) Marking Scheme

Score	Rating	Criteria for Awarding Score
0	Unacceptable (fail)	The information is omitted/no details provided, or irrelevant answer provided
1	Poor (fail)	The Authority has serious reservations that the Bidder understands the requirement in the question. The proposal provides very limited evidence and assurance that the relevant aspect of the service would be delivered to the expected standard and there are serious doubts about aspects of the response.
2	Fair (fail)	The submission is superficial and generic in its scope. The Authority has some reservations that the Bidder understands the requirement in the question. The proposal provides some limited evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
3	Satisfactory	The Authority is reasonably confident that the Bidder understands the requirement in the question and the proposal provides some satisfactory evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
4	Good	The submission is robust and well documented. The Authority is confident that the Bidder understands the requirement in the question and the proposal provides good evidence and assurance that the relevant aspect of the service or requirement would be delivered to a good standard.
5	Excellent	The proposal is innovative and adds value. The Authority is completely confident that the Bidder understands the requirement in the question and the proposal provides very good evidence and assurance that the relevant aspects of the service or requirement would be delivered to an excellent standard.

Appendix 4

Table 4: sub-criteria weightings attached to the Technical (Quality Questions)

TECHNICAL (QUALITY) QUESTIONS			
NONE PRICE FACTOR (40%)			
Award Criteria		Question	Sub - Criteria Weightings
No	Sub-Criteria		
1	Mobilisation of Contract	<p>Please submit your mobilisation and demobilisation plan (if you are an incumbent) for</p> <ul style="list-style-type: none"> • one borough • two boroughs • three boroughs 	5%
2	Planned Servicing	<p>Please explain how you would plan and execute the annual servicing of all equipment. Please include the cleaning of extraction systems within the kitchen?</p>	6%
3	Reactive Maintenance and Equipment Repairs	<p>Please explain how you would ensure that faulty equipment is repaired within the agreed minimum timeframe. The response should include but not be limited to;</p> <ul style="list-style-type: none"> • obtaining spare parts, • the process and timeframe for agreeing estimates for approval • Timeframe to complete the work. • Allocation of appropriately trained engineers • Ensuring there is no negative impact on the meal service 	17%
4	Third Party Contractors	<p>Please explain your process for carrying out repairs and maintenance in other circumstances. The response should include and not be limited to;</p> <ul style="list-style-type: none"> • during school closure times in the event of another contractor already undertaking major works on site. • Use of sub contractors for repairs for named /specialist pieces of equipment 	8%
5	Social Value & Responsible Procurement	<p>LBHF, WCC & RBKC have a commitment to social value and providing support to local businesses and people.</p> <p>Please outline, by borough, how you will:</p> <p>a) maximise local employment and training opportunities particularly in relation to apprentices and people with disability;</p> <p>b) Work alongside and/or support SMEs and local organisations, including your approach to local sourcing of work force, and;</p> <p>c) Provide added value beyond the scope of the specification.</p>	4%
			40%

Table 5: Commercial envelope: pricing submission

Maintenance Contract Costs – OPTIONS		YEAR 1 Annual Value	YEAR 2 onwards Annual Value	Total Year 1 & Year 2	Evaluation Weighting
Annual Contract price SINGLE BOROUGH (WC only)		£0.00	£0.00	£0.00	8%
Multi – Lot (Borough Application)					
Annual Contract price - WC and HC		£0.00	£0.00	£0.00	5%
Annual Contract price - WC and KC		£0.00	£0.00	£0.00	5%
Annual Contract price - All 3 Boroughs		£0.00	£0.00	£0.00	7%
Ad-hoc Charges, Rates and Times		YEAR 1	YEAR 2		Evaluation Weighting
Call Out Charge	1st Hour on Site	£0.00	£0.00		7%
Labour Hourly Rate	Additional hour(s) after 1st Hour	£0.00	£0.00		8%
Response Times	MIN Response Time	30	30		8%
Cleaning of Extractors	A fixed charge for cleaning small, medium and large extractors	£0.00	£0.00	Same irrespective of SIZE?	5%
Disposal Charge	Refrigeration Units ONLY	£0.00	£0.00	Not evaluated?	1%
Spare Parts	Rates for spare parts as a % discount off the list price	0.00%	0.00%		6%
Total evaluation score					60%

- The cost of cleaning of the extractor system has been quoted to be the same irrespective of the systems and size of output which are in place in individual kitchens.

KPIs

KPI 1: Management Information

The content and frequency of management information will be agreed at the point of award but is likely to include but not be limited to; service levels, and a register of complaints including remedial action taken.

KPI 2: Benchmarking and Trend Analysis

The content and frequency of this information will be agreed at the point of award but is likely to include but not be limited to; Contract pricing performance, which will be robustly benchmarked; trend analysis will also inform future commissioning options.

KPI 3: Delivery and Quality Performance Reports

The following service level is the minimum expected;

Requirement	Response
Provide quotations for simple product related enquiries (by phone or email)	95% within 4 working hours 99% within 1 working day
Provide quotations for complex product related enquiries (by phone or email)	95% within 1 working week 99% within 2 working weeks
Delivery Schedules for both simple and complex orders	98.5% of orders delivered within agreed delivery lead time.
Orders not delivered within agreed delivery lead time	99% of orders delivered within revised agreed delivery lead time.
Average equipment up-time	98%
Minimum equipment up-time	97%

KPI 4: Invoice, Delivery and Credit Note Accuracy

Throughout the contract period the Authorised Officer/ SMCT will check a representative sample of invoices using an electronic invoice checker OR manual method to determine pricing accuracy.

KPI 5: Sustainability and Environmental Targets

The Contractor will be required to produce an annual report to provide details of annual Contractor improvements.

KPI 6: Continuous Improvement

The Contractor will be required to submit details of complaints received in respect of product or service quality including the remedial actions taken.

The Contract Management Team will monitor invoice accuracy, Price file accuracy, the resolution of pricing issues, and the resolution of operational difficulties including the quality of response. The Contractor will be expected to work with the Authorised Officer/ SMCT to suggest possible improvements in efficiency that can be achieved in processing transactions, including order receipt, payments etc.

Additional Background Information

- 1.1 It was originally envisaged that kitchen equipment related services would have been covered under the Total Facilities Management Framework (TFMF), or the School Meals Contract. However, schools have shown very little appetite for awarding such services under the TFMF and providers of the school meals service are equally reluctant to diversify in order to adopt equipment and repairs activity.
- 1.2 The current contracts are held by the School Meals Contract team within Children's Services Commissioning Team on behalf of schools who buy into the provision. Following this procurement/ award process schools in all three boroughs will be recharged for this provision. Schools have already contractually confirmed their willingness to cover the costs of repair and maintenance contracts through the wider School Meals Service Level Agreement contract between each respective borough and each school. Sovereign borough contracts procured on the basis of a single offer for all three boroughs' provision will ensure value for money for schools due to the aggregate volume, and will ease of performance management of the successful contractor.
- 1.3 The advantages of calling off from this ESPO Framework 98 (Lot 5) are:
 - It protects the sovereignty of each Council by enabling individual call-offs and contracts for each Council and helps to mitigate the impact if one Council opted to break from the service early.
 - Mini-competition provisions under this framework enable selection of one supplier which does offer economies of scale and potentially reduce transactional costs. All three bidders for the contract opted to tender for all three lots.
 - The guarantee of business to a single provider enables the development of a longer term, collaborative relationship, which will allow further service development, improved resolution of issues and potentially greater service efficiencies;
 - The sustainable pricing structure encourages the provider to invest and continuously improve the services.
 - The Framework allows for the tailoring of the specification in line with local requirements.