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User Guide | Ref No: 001114

Food Deal 2 – Direct Award and Price Only Benchmark Solutions

Framework Agreement



About YPO

YPO provides procurement solutions for public sector organisations to set up or renew contracts for a wide range of services.

Established in 1974 by a group of 13 local authorities, we're the UK's largest public sector buying organisation and we're still 100% publicly owned today. We work closely with our suppliers and collaborate with other public sector buying organisations to achieve efficiencies and value for money, returning all our profits back into the heart of the public sector. Our team of qualified procurement professionals can offer advice, guidance and expertise on procurement, as well as regular engagement and communication to make sure your objectives are achieved.

Helping you navigate the world of your procurement

The world of procurement is complex, with competing demands and increasing pressures. Through collaboration, we provide products and services to meet your needs as individuals and collectives, through our wide range of procurement categories and frameworks. Navigating the world of procurement needs to be easy, quick and effective for both buyers and suppliers, and needs to help you make sure that every penny counts. We believe that through our procurement activity there's an opportunity to make an impact and a real difference, by delivering social value and outcomes in the communities we serve.

Overview

Start date	31st October 2022
Expiry date	30th October 2026
Extension(s) (if applicable)	n/a
Contracting authority (CA) call-off period	Customers can specify a contract period, based on the term that will best suit their requirements. YPO recommend a call-off period of no longer than 4 years.
Contract notice ref. no	2022/S 000-022068
Corrigendum (if applicable)	n/a
Potential maximum value	£500 million
Rebate	Typically 1% but may vary
Geographical Location(s)	Nationwide



Specification, overview and lot structure

YPO has established a fully compliant Framework – YPO’s UK Food Deal 2.

This comprehensive framework sits alongside our popular Food Deal Dynamic Purchasing System (DPS). It has been designed for customers who would prefer a more streamlined route to market, instead of a full further competition, which is required when using the DPS.

Our frameworks can be used for the supply and delivery of various Foodservice categories.

Delivery would be direct from a third-party supplier to YPO customers throughout the Public Sector. The framework is expected to appeal to customers within the education sector (Local Authority school meals services, Schools, Academy Trusts, Colleges and Universities), the NHS, Public Sector Buildings, Publicly Owned Civic Catering Outlets, Charities, The Emergency Services Sector, Social Housing Organisations, The Care Sector and The Prison Service.

The Framework has been split into 7 lots/categories, and customers may access as many or as few of these categories as they wish, depending on their requirements.



Category 1

Ambient groceries

Suitable for Customers who wish to buy a range of premium branded or foodservice brand general grocery items to include (but not limited to):

- Ambient food products
- Packaged and tinned goods
- Tea, coffee etc.
- Breakfast Club Items
- Soft drinks and bottled water, including premium products
- Confectionery and pre-wrapped snacks
- Alcoholic beverages and associated items (for Public Sector Customers who manage bars, leisure clubs, wedding venues, golf courses, theatres, concert venues etc.)

Category 2

Frozen food

Suitable for Customers who wish to buy a range of frozen food products including (but not limited to):

- Frozen fruit and vegetables
- Frozen meat and poultry products
- Frozen fish products
- Frozen pizza
- Frozen bread products
- Frozen desserts and ice cream
- Other frozen foods

Specification, overview and lot structure continued

Category 3

Fresh fruit and vegetables

Suitable for Customers who wish to buy a range of fresh fruit and vegetables, to include (but not limited to):

- Fresh fruit
- Fresh vegetables
- Pre-packed prepared fresh fruit
- Pre-packed prepared fresh vegetables

Category 4

Dairy, chilled and delicatessen foods

Suitable for Customers who wish to buy a range of dairy, chilled and delicatessen foods. These may include (but are not limited to):

- Milk (including school milk)
- Cheese
- Free Range Eggs
- Chilled yoghurts
- Butter and margarine
- Chilled sandwich fillings
- Chilled delicatessen products

Category 5

Fresh, cooked and quick-frozen meat

Suitable for Customers who wish to buy a range of fresh, cooked and quick-frozen meat products. These include (but are not limited to):

- Meat
- Poultry
- Game
- Sausage
- Bacon
- Processed meat items

Category 6

Bakery goods

Suitable for Customers who wish to buy a range of fresh baked products and morning goods. These may include (but are not limited to):

- Fresh bread and bread products
- Fresh pastry products
- Fresh cakes, cookies, doughnuts, scones etc.
- Other products baked fresh.
- Premium cakes/gateaux suitable for resale

Category 7

Multi-category mix


Suitable for Customers who have requirements for various categories of food products and who would prefer to deal with a single supplier, for example for multi-temperature deliveries, or for customers who wish to reduce the amount of delivery miles by having items from various categories delivered together.

Suppliers who are awarded onto **two or more** of the other six categories are added to Category 7, and Suppliers in the Category will vary, depending on which of the Categories 1 to 6 are selected.

Procurement exercises under this Category will only be issued to those Suppliers who can provide products across ALL the relevant categories which meet the Customer's requirements.

This category will be mostly suitable for Customers who are looking for multiple products covering two or more of the other six categories, and who wish to utilise a one-stop-shop approach, perhaps to achieve account management efficiencies or for the reasons identified above. Customers may utilise this category to award to a single Supplier who covers multiple categories.

Customers are under no obligation to use Category 7 and may instead prefer to source Suppliers by running separate procurement exercises in the individual categories that meet the customer's requirements.



For all categories, Customers utilising this framework will place orders direct with the awarded Supplier(s). The Supplier will invoice the Customer directly once the products have been delivered.

Multiple Product Categories

It is anticipated that some customers will wish to procure products covering more than one product category (this may include multi-temperature deliveries). The tender documents of the framework identifies 3 ways in which customers can procure multiple product categories:

- a) Customers can conduct separate procurement exercises for each relevant category.
- b) Customers may utilise Category 7 as described above. This may be a useful option if customers prefer to work with a single supplier.
- c) At their own risk, and subject to their own procurement processes and the overall contract value, customers can select one primary category for their core basket and reserve the right to buy items from other categories from the same supplier (where these are available). YPO would recommend that at least 85% of the full basket of goods is for products within the selected category, and that a minority of spend (YPO would suggest no more than 15% of the full basket of goods and no more than £5,000.00 per annum) may be from other food categories.

Benefits of using the framework agreement

YPO's framework agreements are established to allow customers to purchase goods from suppliers/providers via either direct award or via a competed route to market.

Benefits of using the framework agreement:

- YPO can fully manage the customer's procurement exercise (call-off) process if required and will work with customers to get the procurement documents ready for publication.
- Template procurement templates are available for customers to use, or they may use their own documents if preferred.
- Reduced timescales – customers do not need to run a full procurement if procuring via the framework agreement. Using a direct award option further reduces timescales and is therefore ideal for urgent procurement requirements.
- Assured supplier standards – suppliers/providers are 'pre-qualified' as to their general suitability.
- Aggregation of spend - customers will receive the benefits of the aggregated spend, volume and increased leverage in the market.
- Quality of service is also driven up as we work with the suppliers throughout the contract.
- Pre-defined terms and conditions – when awarding contracts, customers have the option to use YPO's standard framework agreement terms and conditions, as established, or use their own terms and conditions.

Suppliers/providers

Please contact the Food Team to arrange an informal call to discuss your requirements and for information regarding the awarded suppliers:

 foodandcatering@ypo.co.uk

How to access the Framework

To access the Framework, customers should first complete and return the Non-Disclosure and Customer Access Agreement. YPO can then pre-agree the level of support that might be required and can provide customers with procurement template documents, as well as advice and guidance to undertake a compliant

procurement exercise. There is no obligation to use these templates and Customers can use their own procurement documents if preferred. Customers conducting their own procurement must inform YPO so that we can include this within our ongoing framework management.

How to use the framework and award/call-off

There are two routes to market using this framework. See below. Please note, there is no full further competition option when using this framework.

Customers wishing to conduct a full further competition will be directed to the Food Deal DPS, reference 985, which operates alongside this framework.

Route 1 – Direct award

This is the most streamlined route to market. The customer utilises the evaluated scores that YPO assigned to suppliers at the establishment stage of the framework and considers their own mandatory requirements to select the most economically advantageous supplier, to whom they then award a contract.

Customers should award to the highest ranked supplier in each category who can fully meet the customer's specification, in terms of:

- Ability of the suppliers to deliver to the customer's sites
- Ability of the suppliers to meet the customer's required delivery days and windows.
- Ability of the suppliers to provide the customer's full basket of items (or an acceptable alternative) at the framework prices (or lower).

- Ability of the suppliers to meet any mandatory requirements that the customer may have.
- Willingness of the highest ranked supplier to accept the contract

Please contact the YPO Food Team on foodandcatering@ypo.co.uk for details of the latest supplier rankings and geographical areas that the awarded suppliers currently can deliver to.

If using **Category 7** to direct award a contract across multiple categories, only suppliers who are registered to **ALL** relevant categories should be considered – each supplier's scores across all relevant categories should be added together and ranked accordingly, and a contract awarded to the highest scoring supplier who can also meet all Customer requirements as specified above.



Route 2 – Price Only Benchmark

With YPO's full support, Customers undertake a partially competed procurement exercise and award a contract to the most economically advantageous supplier.

This will involve creating a comprehensive but user-friendly set of documents, using our templates (or Customers can use their own templates if preferred). These will include some background information regarding the new contract, a general specification, a shopping basket of items to be purchased, along with the anticipated buying volumes and a list of mandatory requirements that the successful supplier/s must agree to.

YPO will proofread the draft documents if needed and will provide feedback for the Customer's consideration.

Once finalised, the completed document set will be sent to the awarded suppliers in the relevant category/s via an e-tendering portal, and bids will be invited. Most Customers ask YPO to do this on their behalf as it significantly cuts down on the Customer's admin time, although customers can do this themselves if preferred.

Interested Suppliers will send in their best bids by the deadline. Responses will be sent to the Customer for evaluation. The Customer will check the replies submitted in relation to the mandatory questions and will disqualify any supplier who cannot meet these. Those supplier/s who meet the Customer's mandatory requirements will then have their price bids evaluated.

The total basket price will be used to generate a price score for each bidder. These scores will be combined with the Quality Scores suppliers provided to YPO at the establishment stage, to give an overall score based on both price and quality. YPO will provide further support and guidance on this at the appropriate stage if required.

The supplier/s with the highest combined score, and who is the most economically advantageous supplier, wins the contract.

If this supplier should decline the contract for any reason or if there is a significant reason why they cannot be awarded the contract (e.g., they can no longer meet the mandatory requirements), then the Customer may decide to approach the second ranked supplier, then the third, and so on.

Price benchmark guidance

Evaluation must be fair and transparent, and the methodologies used to evaluate must be provided to the suppliers/providers within the benchmark documentation.

YPO can help customers produce specifications, mandatory requirements, pricing schedules and evaluation criteria to undertake the price benchmark.

Clarification responses, evaluation of further competition submissions, drafting of award letters and contracts and applicable Contract Award Notices are elements of the process that will need to be completed by the customer.

Customers must inform YPO of the outcome of any further competition, including those that they undertake themselves.

When running a price benchmark, customers should award based on the most economically advantageous tender submission and must provide suppliers/providers with the methodology behind the evaluation, including the evaluation criteria and the weightings that are applied (please see the table below for the Framework weightings).

Weightings

When using a Price Only Benchmark to calculate the winning supplier, the following weightings must be used:

Element	Percentage	Re-opened or carried through
Price	60%	Re-opened during the Price Only Benchmark
Quality	30%	YPO's moderated scores are carried through from the establishment stage
Sustainability and Social Value	10%	YPO's moderated scores are carried through from the establishment stage

The weightings for cost will be re-opened for evaluation within the price benchmark. Customers can also set any appropriate KPI's and/or service levels as part of the mandatory requirements.

The Quality, Sustainability and Social Value elements should not be re-opened (unless these are relevant to the mandatory requirements), and scores will be carried forwards from the initial YPO evaluation and combined with the pricing

scores to give an overall score. The highest scoring supplier who can meet all requirements is the most economically advantageous tenderer and should be awarded the contract.

Customers who wish to open Quality, Sustainability or Social Value should utilise our Food Deal DPS ref 985 which utilises a full further competition as it's route to market. Please contact the Food Team for more information.

Terms and conditions

Suppliers/providers awarded to the framework agreement have agreed to and signed YPO's standard Terms and Conditions. These can be amended by the Customer and Supplier/Provider by mutual agreement to include additional terms to supplement the standard Terms and Conditions.

A variation form is included in the standard Terms and Conditions document to allow customers and suppliers/providers to amend any terms if required.

Alternatively, the Customer has the option to replace with their own terms and conditions if preferred. The selected terms and conditions must be published upfront with the procurement documents, during the procurement exercise.

Contact information

For further information or to discuss individual requirements, please use the contact details below:

Steven Sefton

Procurement Partner
YPO Food Team



07980 711132



steven.sefton@ypo.co.uk

Stages of the Price Only Benchmark

Stage 1

Initial Customer Enquiry

- Customer contacts YPO for information
- YPO will send customer a copy of the User Guide, NDA and Access Agreement.
- Customer completes and returns NDA and Access Agreement.

Stage 2

NDA/Access Agreement Returned to YPO

- Following receipt of signed NDA/Access Agreement YPO may send the customer the procurement templates along with suggested mandatory questions including framework terms and conditions.
- Customer completes the documents and sends to YPO. YPO will do a full proof read and will work with the customer to finalise all documents.
- If the customer decides to undertake their own further competition and/or uses their own procurement templates, then YPO must be informed via e-mail.

Stage 3

Price Benchmark

- YPO will issue the document to all suppliers/providers on the relevant category/s of the framework, if required by the customer.
- YPO will manage any clarifications that are received from potential suppliers/ providers (customers will need to provide clarification responses).
- At the submission closing date YPO will send all responses to the Customer via email.
- Customers can then evaluate (offline) the submissions then prepare acceptance and rejection letters.

Stage 4

Contract Award

- YPO will issue the award decision documentation (acceptance and rejection letters) via YPO's e-portal.
- Optional 10-day standstill period: customers are advised to implement a voluntary standstill period of 10 days.
- A Contract Award Notice following any award via the framework agreement must be published by the Customer within 30 days.

Stage 5

Mobilisation

- The Customer and the preferred supplier have a mobilisation meeting if required to implement the contract. The Customer and the supplier sign the order form.

Frequently Asked Questions

Is there a charge for customers or suppliers to access the Framework?

No, there is no charge to customers or suppliers to access the Framework. YPO covers its costs by way of a nominal rebate which the winning supplier pays to YPO once an individual contract is awarded and is under way.

Why are there two Food Deal Frameworks?

This framework allows a simplified approach by either making a direct award or procuring via a streamlined competition. Suppliers cannot be added if they did not tender at the start. Our alternative framework is a DPS format – this allows newly identified suppliers to tender to join the awarded list of suppliers, but award must be via a full further competition; there are no streamlined options on the DPS. Please contact us if you are unsure which framework will be best for you.

Is there a generic price list for products that I can look at?

Framework pricing was used in the evaluation and can be utilised when making a direct award. Conducting a Price Only Benchmark will enable customers to obtain a bespoke price, based on their own specific list of items and volumes.

Can I chat to suppliers prior to running a procurement exercise?

Yes, customers can arrange pre-engagement with awarded suppliers, prior to running a procurement exercise, to discuss potential options.

How long should I give suppliers to tender for a Price Benchmark?

This depends on the complexity of the requirement and the number of items. YPO would suggest a minimum of 4 weeks so that suppliers have adequate time to prepare their bids.

Can I use our own e-tendering system or our own document templates to run the Price Benchmark?

Yes, this is fine, as long as Customers keep YPO informed of any outcomes, so that we can include the contract in our supplier management processes. Customers wishing to use their own e-tendering portals should email each awarded supplier in advance, providing instructions on what they need to do to register. Email details are available from YPO upon request and upon completion of the NDA/Access Agreement.

Can I direct award to a supplier?

This is perfectly fine provided the process is fair and the customer can justify their award decision. The Customer should award the contract to the highest ranked supplier in each Category who can fully meet the customer's requirements and who has the capacity and capability to fulfil the contract. Customers must complete the NDA/Access Agreement before doing this.

I want to direct award multiple categories to the same supplier. Is this possible?

Yes, it is possible by utilising Category 7. If using a direct award, we would suggest adding up the individual category scores for suppliers who are awarded to ALL your relevant categories, to select the most economically advantageous supplier overall. Customers must complete the NDA/Access Agreement before awarding any contract.

I want to run a full Further Competition and create and evaluate my own Award Questions. How can I do this?

Our fully compliant Food Deal DPS framework which runs alongside this framework allows Customers to do exactly that. Please contact us for more details.

Frequently Asked Questions continued

How long would a contract last for?

Contracts can be for up to four years, but the potential length must be made clear during the procurement exercise. YPO would suggest a minimum of 12 months, and two to three years is the typical length. Optional extensions can be added if this is made clear within the procurement documents to give you flexibility to extend if everything is going well. The total contract, including extensions should not exceed four years.

What happens if I run a procurement exercise and I'm not happy with the outcome. Do I have to award a contract?

Customers utilising the framework should use it with the firm intention of awarding a contract. The Framework is not designed for conducting a general benchmarking exercise as the process requires the Customer to conduct an evaluation and complete letters to the suppliers who bid. If the result of the further competition is not favourable (for example if there are no favourable bids) then ultimately there is no obligation to award a contract. However, letters to the suppliers who bid, to explain the rationale of not awarding a contract will still be required from the Customer.

Can I add my incumbent suppliers to the Framework if they are not already listed?

The framework had an initial supplier application window which has now passed, and new suppliers cannot join during the contract term. We do have 17 listed suppliers across the various categories. Our other Food Deal Framework, which is set up as a DPS, has the flexibility to add new suppliers.

Do I have to stick to the procurement rules?

Just like other routes to market, the general rules governing a framework are covered by Public Sector procurement rules and legislation. Additionally, clear guidance regarding the direct award option and how this should be used in practice is included within this document. Any risk that results from customers not following these rules and guidance will be borne by the customer. If in doubt, we suggest customers request a further conversation with YPO and/or consult their own procurement and legal teams.

What about Social Value?

Social value was scored as part of the initial framework evaluation by YPO. Additional mandatory requirements in connection with social value (such as a requirement to sign up to a social value portal) can be included within the procurement documents.





Find out more

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