

## DECISION RECORD <sup>1</sup>

Officer Key Decisions are subject to the Council's Call-In Procedure (Annex 9 of the Council's Constitution) [Council's Constitution](#)

**Subject:** The Supply of School Milk to all Hertfordshire Schools contract

*(Please use the same title as provided in the Forward Plan)*

Staff Contact: Simon Newland  
Tel: 01992 588755, ext. 28755

Executive Member: Terry Douris  
Portfolio: Education, Libraries and  
Localism

### 1. **Decision** <sup>2</sup>

To award the contract to supply school milk that reflects the School Food Standard and provides value for money.

### 2. **Reasons for the decision** <sup>3</sup>

As part of the School Food Plan, all maintained primary, infant, junior and secondary schools are legally required to make milk available for drinking during school hours.

Schools can charge parents for the cost of milk supplied but must cover the cost of milk for children entitled to Free School Meals.

To reduce the administrative burden to schools of procuring own milk contracts and to drive the cost of milk down for Hertfordshire parents, the County Council has procured and managed via Herts Catering Limited a milk contract for many years. The contract is designed to ensure it is nil cost to Hertfordshire County Council and covers the cost of free milk for schools whilst ensuring that cost per carton for paying parents is still highly competitive.

This contract is strategically significant as it reduces the financial burden of having to provide free milk to schools in particularly deprived areas, reducing the risk of growing budget pressures in schools to the Council and ensuring that the amount of money schools can target on disadvantaged pupils is maximized.

The current contract concludes at the end of this 2020-21 Academic Year. The council made the decision to re-procure the contract to enable schools to continue to benefit from arrangements at nil cost to the Council.

Hertfordshire Catering Limited currently manage the contract on behalf of Hertfordshire County Council and will manage the new contract, taking the risk and 50% of profit from the arrangement. HCL currently manage the contract to a high quality and with the continuity of personnel and established systems for ordering, the high quality of service is expected to be maintained.

HCL charges a management fee of £40,000 per annum and any profit after this is split 50/50 with HCC. If the milk service doesn't make enough to pay the £40k management fee, then this would be a loss to HCL. This guarantees no cost to HCC with the chance of 50% of any profits.

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No actions are needed to reduce or restrict demand as school milk brings significant health benefits to children.

The total cost of the contract is £800,000 per year with a total value including all extensions of £3,200,000.00 (4 years).

A procurement process has been undertaken. Two responses to the Supply and Delivery of School Milk Contract (Contract Ref: HCC2112684) were received. However, one of the bids failed at stage two so they could not proceed to the award stage. The bid from Dairy Link was evaluated and a moderation meeting held. This bid was evaluated at the moderation meeting. It was judged to have met all the criteria and therefore the contract was awarded to Dairy Link. Dairy Link are the existing contract holders.

### 3. **Alternative options considered and rejected** <sup>4</sup>

HCC did consider the option that schools are required to put their own arrangements in place. This was not judged desirable given the added cost pressures to schools in terms of meeting the costs of free milk and the admin it would bring. There was also likely to be a greater cost to parents.

### 4. **Consultation**

(a) Comments of Executive Member <sup>5 6</sup>

(b) Comments of other consultees <sup>7</sup>

### 5. **Following consultation with, and the concurrence of the Executive Member, I am proceeding with the proposed decision.**

Signed: .....Simon Newland.....

Title: ...Operations Director, Education ..... Date: .....28/04/2021.....

### 6. Copies of agreed document to:

- All consultees
- All members of the County Council (Democratic Services to send)
- Hard & electronic copy (for public inspection both at County Hall and on [hertfordshire.gov.uk](http://hertfordshire.gov.uk)) to the Democratic Services Manager - Room 213 County Hall; [democratic.services@hertfordshire.gov.uk](mailto:democratic.services@hertfordshire.gov.uk)

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<sup>1</sup> Please refer to the Call-in and Contract Award Process for officers to determine if notice on this decision record for successful and unsuccessful bidders is exempt information and is therefore subject to inclusion in Annex 'A'

<sup>2</sup> If this decision relates to the award of contract, please provide a summary of the evaluation process and reasons for the award of contract to the successful bidder.

<sup>3</sup> for guidance see Chief Legal Officer's note "Taking Decisions"

<sup>4</sup> details of any alternative options considered and rejected by the officer at the time the decision was made

<sup>5</sup> record any conflict of interest declared by any Executive Member consulted. If an Executive Member declares a conflict of interest DO NOT PROCEED without taking advice from the Chief Legal Officer

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<sup>6</sup> If the matter has general significance for the Council and/or is, or is likely to be, controversial, then the officer shall consult the appropriate Executive Member **before** proceeding. In some cases it will be necessary to consult more than one Executive Member, and in some cases the Leader of The Council will need to be consulted

<sup>7</sup> If the matter has local significance, but no general significance for the Council and no controversial aspects, the officer shall consult or inform the local member in writing (or by email) and proceed. It is essential that all officers responsible for delivering services ensure that local members are kept well briefed on issues affecting their areas.