

buying solutions

Dr Caroline Lucas
Suite 58
The Hop Exchnage
24 Southwark Street
London
SE1 1TY

26 October 2009

Dear Dr Lucas

Re: Eden Springs UK Limited

Your letter dated 30 September addressed to Andrew Rudd, NHS Purchasing and Supply Agency (NHS PASA), has been forwarded to Buying Solutions to respond following the transfer of procurement activity from NHS PASA as of 1 October 2009. The water coolers and dispensers framework was part of this transition and we have carried out an investigation of the issues you have raised.

We are aware that previous issues of this nature have been raised to the Scottish Parliament in 2006/7 regarding the ownership of Eden Springs and its links with Mei Eden in Israel. The outcome of the petitions raised found that there were no grounds to terminate contracts held by Eden Springs. Based upon information contained in a letter sent to the First Minister the Scottish Executive identified the international law that Eden Springs Water Company is alleged to have violated as UN Security Council resolution 497, December 1981. From the information available, the Scottish Executive believed that the resolution is against Israel, as opposed to the Eden Springs Water Company or any other company.

Under public procurement legislation, it is possible to exclude a company from participating in a competitive tendering exercise where the company has been convicted of a criminal offence or committed an act of grave misconduct relating to the conduct of that company's business or profession. As part of the procurement exercise undertaken by NHS PASA during 2007/8 there is no evidence of Eden Springs UK Limited being convicted of any criminal offence. Once a contract is awarded, it can only be terminated in accordance with the terms of the contract or where reasonable grounds for doing so exist. The ethical issues raised by you do not warrant or justify termination.

This company met all of the requirements set out within the framework with a fully compliant offer and are one of 12 companies awarded to provide product and services to the NHS and wider public sector.



INVESTOR IN PEOPLE



VAT GD103



customer service desk: 0845 410 2222 fax: 0151 227 3315 or visit www.buyingsolutions.gov.uk
3rd floor, Royal Liver Building, Pier Head, Liverpool L3 1PE

smarter choices = better procurement

buying solutions

The water used within their bottled products is sourced from within the UK. The company employs over 380 staff within the UK and continues to grow. Their on-going business strategy will see a re-location of depots, subject to business requirements, which saw the Edinburgh depot close and a new depot, open in Galashiels. This is the explanation provided by Eden Springs UK Limited to your reference to the closure of its East of Scotland depot.

Regarding the current financial structure of this company, it is understood that there are now two shareholders of Eden Springs UK Limited, Mayanot, an Israeli company and an American investment fund. This organisation is registered as Springs of Eden BV. The legal structure has changed, with 100% ownership of the 16 Eden Springs Europe markets (including the UK) and Mei Eden. Whilst this indicates a stronger involvement of an Israeli based company, there are as stated above, no legal grounds to terminate Eden Springs UK Limited place on the framework.

I hope you find this response covers all the issues you have raised and provides useful information.

Yours sincerely



Martin Chown
Executive Director, Business Services Procurement



VAT GD103

customer service desk: 0845 410 2222 fax: 0151 227 3315 or visit www.buyingsolutions.gov.uk
3rd floor, Royal Liver Building, Pier Head, Liverpool L3 1PE

smarter choices = better procurement