

**TO: THE EXECUTIVE
19 DECEMBER 2017**

**CONTRACT AWARD FOR CORPORATE CLEANING FRAMEWORK AGREEMENT 2018
(Director of Resources)**

1 PURPOSE OF DECISION

- 1.1 The current corporate cleaning contract is due to expire on 31st March 2018, having been extended beyond its original expiry date of 4th January 2018. The purpose of the extension was to allow sufficient time for the move of Easthampstead House Staff to the remodelled civic accommodation at Time Square – due to be completed during the first quarter of 2018. This will avoid the requirement for the new contract to cover Easthampstead House for a limited period which would necessitate a move of the contractor's staff and equipment.
- 1.2 A full competitive tendering exercise using the Restricted Procedure in compliance with the Public Contracts Regulations 2015 has been carried out, inviting a list of tenderers determined using a Selection Questionnaire process and advertised in OJEU, the South East Business Portal and Contracts Finder. The process followed complies with the Procurement Plan which was endorsed by the Executive Member for Transformation and Finance in July 2017.
- 1.2 The current value of the contract is approximately £1.2m per annum which currently includes 27 schools, however the move towards academisation led to doubts regarding their continued involvement. However, following consultation with all schools, 24 decided that they wished to be included in the new contract.
- 1.3 Following advertising, a robust evaluation of tenders submitted from short-listed candidates was carried out and the purpose of this report is now to seek approval to award the new contract due to start on 1 April 2018.

2 RECOMMENDATION

- 2.1 **That the Corporate Cleaning Framework Agreement due to commence on 1 April 2018 be awarded to Tenderer A.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure, that the Council has an effective and reliable contractor offering effective contract management and supervision minimising the need for intervention by Council officers, and which delivers best value for money. The service deals with all cleaning related tasks, including the provision of office cleaning, the supply of cleaning and janitorial consumables to Civic Buildings and to those schools wishing to use this aspect of the service (around 6 during the current contract). Periodic cleaning, such as carpet cleaning, window cleaning and cleaning of ICT equipment are now only provided if requested by individual sites, rather than at pre-defined intervals. This provision was introduced during the current contract as a cost-saving measure.
- 3.2 Failure to award this framework agreement could result in implications for the Council's reputation in public facing buildings, and could also impact on the

productivity of employees. A considerable number of school sites have also bought into the contract and will therefore continue to benefit from the cleaning service arising from this award.

- 3.3 This links to Council Objectives which include ensuring that all sites remain clean, accessible and attractive.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There is plenty of interest in the market for a contract of this size and scope and the team considered that competitive tendering following a Selection Questionnaire process was the most sensible option.
- 4.2 Another alternative might have been the use of an existing OJEU compliant framework agreement; however no suitable framework agreements were identified.

5 SUPPORTING INFORMATION

- 5.1 The service is governed by an “outcome” performance based specification, taking the industry standard British Institute of Cleaning Science as a basis. This approach, which allows suppliers to determine the resource levels they need to deliver these standards, effectively passes technical risk to the supplier. This is an approach which has been successful for the Council over a number of years.
- 5.2 The continued inclusion of schools in the agreement is of benefit to them in terms of the competitive pricing they are able to achieve through economies of scale and the number of schools participating has increased from an initial 4 to it’s current level of 27 which indicates it’s success over the years. Schools now represent more than two-thirds of the overall framework value. There are clear commercial advantages for the Council in agreeing one framework in terms of economies of scale and process improvements available for all. A single framework agreement also allows more effective management and monitoring of supplier performance using the latest e-commerce tools.
- 5.3 In addition to advertising on OJEU, a Selection Questionnaire (SQ) was made available on the South East Business Portal and Contracts Finder following which a tender list was determined. Tenders were invited on 11 September 2017 for return on 27 October 2017.
- 5.4 The tenders returned were evaluated against the pre-defined criteria, based on a 60/40 Cost/ Quality weighting, as agreed by the Executive Member for Transformation & Finance. This included a number of qualitative criteria outlined within the confidential annexe. A quality weighting of 40% was considered by the evaluation team to be the minimum advisable due to the complexity of the service and wide variation size and location of the sites included. This service has high visibility and is dependant on the quality of skilled labour and management resource provided by the contractor. It was felt that giving a higher weighting to cost might deliver short-term advantages which could easily be outweighed by the time required by Council managers in keeping the contract on track. Cleaning contracts are renowned for being troublesome from a client’s perspective if the wrong supplier is selected. The worst possible management scenario would be the replacement of a poor contractor with all the costs that would involve.

- 5.5 Tenderer A scored first on quality and on cost for provision of the cleaning service. All tenderers are well established in the industry and submitted comprehensive and professional bids as might have been expected. A short-list of 3 tenderers were interviewed on 8 November 2017 to allow the evaluation team to confirm their understanding of the bids submitted and to validate their scoring. No scores were changed by the team following the interviews.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The Council has complied with the requirements of the Public Contracts Regulations 2015 by advertising the intended public contract in the Official Journal of the European Union, and the process of selection has been carried out in accordance with their requirements and with the requirements of the Contract Standing Orders. It will be necessary to hold a standstill period following the decision and prior to awarding the contract.

Borough Treasurer

- 6.2 Whilst there is a potential saving on non-school buildings, this is outweighed by the higher costs to schools which will create a budget pressure - however as outlined in the confidential annex these increased costs have arisen for a number of specific reasons and were reflected in all of the tendered bids - as such these higher costs are considered unavoidable.

Equalities Impact Assessment

- 6.3 An Equalities Screening was carried out and attached to the Procurement Plan

Strategic Risk Management Issues

- 6.4 The evaluation team has determined that Tenderer A is a properly constituted and experienced organisation with appropriate finances in place to support the life of the Contract. The team have attempted to minimise the financial risk by having an independent financial check carried out on the organisation by the Chief Technical Accountant.
- 6.5 The contract will be awarded as a Framework Agreement. This will allow additional sites to join if they wish in order to benefit from pricing and general commercial benefits associated with the agreement.
- 6.6 Poor performance could also be a risk to the Council. The evaluation team has done best to minimise this risk by ensuring that the recommended Tenderer has robust accreditation in place with regard to Quality, Health and Safety and Environmental issues and also has mechanisms for quickly addressing poor performance. The evaluation team have also ensured that three positive references have also been received from organisations currently utilising their services.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Tender Evaluation Team was drawn from the Resources Directorate (Corporate Procurement, Facilities, the Commercial Centre and the Library Service) Education plus the Site manager of Garth Hill College and the Finance Manager of Ranelagh School to ensure that all major users of the framework were fairly represented in order to perform an effective assessment. Prior to evaluation, documentation was also seen and approved by the Borough Solicitor.

Method of Consultation

- 7.2 The draft specification was circulated widely for comment to all members of the Tender Evaluation Team, the Borough Solicitor and (initially) the Chief Officer Property (this area is now in the Chief Officer, Customer Services area of responsibility) and all comments were incorporated.
- 7.3 All members of the Tender Evaluation Team endorse the recommendation of this report.

Background Papers

- Confidential Annexe hereto
- Invitation to Tender document including Conditions of Contract
- Submitted Selection Questionnaire documents
- Tender Evaluation Spreadsheet

Contact for further information

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