

CABINET MEETING

Agenda Item 137

Brighton & Hove City Council

Subject:	Procurement of the Corporate Building Cleaning Contract		
Date of Meeting:	18 December 2008		
Report of:	Interim Director of Finance and Resources		
Contact Officer:	Name:	Angela Dymott,	Tel: 295064
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Key Decision:	Yes	Forward Plan No. CAB4002	
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The report requests that the Cabinet authorise the Director of Finance and Resources and Assistant Director Property & Design, in consultation with the Cabinet member for Central Services to let the Brighton & Hove City Council Corporate Building Cleaning Contract that expires in October 2009.
- 1.2 The Corporate Cleaning Contract currently services approximately 100 plus council owned / leased buildings from across all directorates as well as schools at a current value of approximately £1.2m per annum.

2. RECOMMENDATIONS:

That Cabinet approves :

- (1) The re-tendering of the building cleaning contract for a 4 year period with the option to extend by a further 2 years at the council's discretion, in accordance with the tendering timetable included in this report at item 4.2 to enable the new services to commence in October 2009.
- (2) That the Director of Finance and Resources and Assistant Director Property & Design, in consultation with the Cabinet member for Central Services, be given delegated authority to award the contract to the successful bidder following evaluation and recommendations of the evaluation team.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 This contract was last tendered in 2004, after a review of cleaning services by Property & Design found that the procurement of cleaning services was undertaken by individual departments, each with varying termination dates. This meant that economies of scale were not achieved. A corporate building cleaning contract was tendered that brought together this function to achieve a quality service and achieved efficiency gains through reducing the number of contracts and ad hoc arrangements across the council.
- 3.2 The 2004 tender created four distinct packages for the provision of building and window cleaning services ; two of these were for building cleaning and the other two were for window cleaning. The building cleaning packages have been combined and are managed by Nviro. The window cleaning contracts for our civics buildings were undertaken by F & G Cleaners Ltd for the duration of the contract and by Silvarstar in the extended period, with schools making their own arrangements.
- 3.4 The contract contains the following monitoring features to ensure high standards as a quality service is paramount:
- The contractor is required to have robust quality assurance procedures. Monitoring is carried out by the contractor's site and area supervisors on a daily basis. The contractor will annually monitor each building with a nominated building user, to evaluate standards
 - There are also random monitoring checks and regular meetings with stakeholders, some with the Contractor and some without.
 - There are quarterly and annual reviews and the council is a member of the Building and Window Cleaning Contract Improvement Group, which meets to discuss the issues from West and East Sussex County Council's, along with the cleaning contractors that are used in each county to discuss ways that the contracts can be improved.
- 3.5 Cabinet should note that the proposed contract re-tender is for building cleaning only. Due to feedback from Clients the window cleaning proposals have been reviewed and will be tendered separately with schools sourcing their own contractors, according to the council's procurement guidelines. The intention is to make the Window Cleaning contract a framework agreement for the main civic building. Housing and other sites may join in if they wish, the benefits being that it will encourage local SMEs to apply which should reduce the council's carbon footprint.

4 Proposed Contract and Procurement Route.

- 4.1 The proposed building contract will service a wide variety of building types, including schools, libraries, sheltered housing, SureStart Nurseries, Civic buildings, Industrial buildings, Day Centres and a shopping arcade. There will be provision in the new contract for other sites to join at a later date if they wish to do so. It is proposed that the contract will be for four years with an option to extend based on the successful contractor's performance over the contract period. Housing have been consulted and will be keeping their

cleaning work in-house.

- 4.2 The building cleaning tender process follows the EU Restricted Route for Supplies & Services. There will first be a Pre-Qualification Questionnaire (PQQ) that will be used to make a shortlist of bidders that will then be invited to tender. The proposed procurement timetable is shown below:

Task	Date
Cabinet Meeting	18th December 2008
PQQ ready for Consultation	22nd December 2008
OJEU Placed	5th January 2009
PQQ Placed on Website and Trade Magazines	6th January 2009
Closing date for PQQ's	11th February 2009
Evaluate PQQs	23rd February 2009
ITT sent out	9th March 2009
Closing date for tenders	21st April 2009
Evaluation of Tenders	22nd April 2009 – 8 th May
Clarification Meetings	w/c 11th May 2009
Select Preferred Bidder	20th May 2009
(Standstill Period - 14 days)	
Award Contract	8th June 2009
TUPE & Handover Period	3 Months
Contract Start	8th October 2009

- 4.3 Bidders will be invited to submit a formal tender and supply sufficient supporting documentation to demonstrate their ability to deliver the service and make improvements to include internal quality procedures, staffing details and levels, equipment strategy, performance measures, sustainability and social proposals, pricing schedules, health & safety documentation and mobilisation plan.
- 4.4 The tenders will be evaluated on a 60% technical / quality and 40% price split. It has been decided to have the technical / quality split as higher because it is important that the quality of the work carried out is to a high standard for the safety of both employees and visitors. High standards of cleanliness will also mean that building maintenance costs will be reduced. A cross - functional evaluation panel consisting of representatives from procurement, property & design, finance, legal, human resources, service clients and health & safety will evaluate the tenders according to a methodology set out in the invitation to tender and evaluation guidelines.
- 4.5 This contract will also feature site specific specifications where each site will have a 'core' specification plus additional requirements that are needed to ensure that the site is kept clean. This should encourage flexibility and possible savings where Clients will be paying for the correct services and not generic works with top up payments for the clean that is actually required.

- 4.6 TUPE (Transfer of Undertaking Protection of Employment) regulations will apply to this contract and the council is working with the current contractor to ensure that all information is up to date. TUPE transfers will take place between the current contractor and the successful Contractor. It is not thought that any Brighton & Hove City Council staff will be affected.

5 CONSULTATION

- 5.1 Consultation is currently underway with a view to determining
- Each sites cleaning requirements
 - A specification with quality criteria which meets stakeholder needs.
 - Evaluation criteria and weighting for determining the most economically advantageous tender, which will produce an appropriate mix of cost and quality.
- 5.2 Those who have been, or who are, involved in the consultation process include: the current contractor, West Sussex County Council Strategy Group, Stakeholders, Procurement, Health & Safety, Finance, Legal, Property & Design, Human Resources, Adult Social Care & Housing.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 The tender will be prepared on a basis to maximise efficiencies and value for money achieved through site specific specifications.
- 6.2 It is difficult to anticipate tender prices compared to current costs until proposed tender amounts have been submitted by contractors. Should significant financial implications arise from the tender process it may be necessary to report these to members at a later date.

Finance Officer Consulted: Stuart Taylor

Date: 03.11.2008

Legal Implications:

- 6.3 Contracts for the cleaning services fall under 'Part A Services' of the EU Procurement Directive and accompanying UK Regulations. As a result, any such contract is subject to the full application of both the Directive and Regulations. The tender process will need to be undertaken in compliance with the relevant legislation. In addition in this case the report refers to TUPE being applicable therefore HR will need to be consulted as necessary. Contracts over £75,000 must be prepared in a form approved by the Head of Law. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.

Lawyer Consulted: Sonia Likhari

Date: 28.10.08

Equalities Implications:

- 6.4 These issues will be addressed in the tender documentation.

Sustainability Implications:

- 6.5 Sustainability issues will be addressed in the pre-qualification and specification documents. The new contract will contain the following sustainable efficiencies:
- The successful contractor will be sourcing eco-friendly products
 - It will be a requirement of the contract to train all staff how to use chemicals correctly so that there is no wastage.
 - All of the contractor's suppliers must be accredited with British and European standards as identified in Defra's sustainable cleaning guidelines.

Crime & Disorder Implications:

- 6.6 There are no crime and disorder implications to be considered.

Risk & Opportunity Management Implications:

- 6.7 Full risk assessments will be undertaken by the successful Contractor in conjunction with the Contract Manager. Key risks identified will need to be dealt with and regularly reviewed and updated by the respective parties. It will also be a requirement at tender stage that the tenderers provide example risk assessments for evaluation purposes.

Corporate / Citywide Implications:

- 6.8 The re-tendering of this contract will achieve value for money and help to protect the environment while growing the economy.

7. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 7.1 **Do Nothing** – this was not recommended, as council buildings and schools need to be cleaned, it would not be possible to just let the current contract expire with no alternative in place.

- 7.2 **Bring the service in-house** - The possibility of bringing this contract 'in house' was considered. The current contract is valued at £1.2 million p.a. in total, a figure that would cover salaries only should we transfer 250+ cleaning/supervisory/contract management and administration staff into our employment. Additional costs would include the replacement of most of the equipment which will be nearing the end of its' working life, the purchase of 5 vehicles for the Area supervisors, Contract Manager and mobile cleaner. It is estimated that the cost would be approximately £1.4 million p.a. plus the additional work placed on our Human Resources and Payroll teams.

7.3 **OGC Framework Agreements** – There are no existing framework agreements that Brighton & Hove City Council could use in place of a tender process.

8. REASONS FOR REPORT RECOMMENDATIONS

8.1 The existing contract is due to expire in October 2009. A new contract is needed to ensure that council sites are clean, hygienic and well presented to the public and that the buildings are safe for the council's employees.

SUPPORTING DOCUMENTATION

Appendices:

1. NONE

Documents in Members' Rooms

1. NONE

Background Documents

1. NONE