

<b>9 October 2019</b>		<b>ITEM: 13</b>
<b>Cabinet</b>		
<b>Re-Procurement of the Corporate Cleaning Contract</b>		
<b>Wards and communities affected:</b> None	<b>Key Decision:</b> Key	
<b>Report of:</b> Councillor Mark Coxshall, Cabinet Member for Regeneration and Strategic Planning		
<b>Accountable Assistant Director:</b> Detlev Munster, Assistant Director, Property Services		
<b>Accountable Director:</b> Sean Clark, Director of Finance, Governance and Property		
<b>This report is Public</b>		

## **Executive Summary**

This report sets out the proposals for the re-procurement of the corporate cleaning contract (building and window cleaning plus washroom services) which covers the portfolio of Thurrock Council buildings including the Civic Offices, Thameside Complex, libraries and depot. The current cleaning contract expires on 30 June 2020 and a new contract will be put in place for 1 July 2020.

The current building cleaning and washroom services contract has performed to the required standards and the contract has been flexible in terms of variations and delivery of savings. There is likely to be an increase in scope of the new contract as the requirements at the Thameside Complex have expanded since the contract was last procured and they now require cleaning and janitorial services seven days a week.

The current window cleaning contract is under-performing. The incumbent supplier was placed on intensive monitoring in March 2019 and has failed to meet the criteria set. Notice to terminate the contract on 30 June 2020 was served in early September 2019.

Stakeholders across the Council are being consulted as to the most appropriate requirements for the service going forward and the specification has been designed to ensure flexibility during the contract term to meet building changes such as the Civic Offices extension, together with new ways of working that impact staff density and public footfall.

## **1. Recommendations**

**Cabinet is recommended to:**

- 1.1 Agree the proposed process for re-procurement of the Corporate Cleaning Contract for a period of up to five years (three years plus two further one year periods subject to performance and funding); and**
- 1.2 Approve delegation to award to the Director of Finance, Governance and Property, in consultation with the Portfolio Holder.**

**2. Introduction and Background**

- 2.1 The current building cleaning contract was awarded to Servest on 1 July 2015 for a period of three years with the option to extend for two further one year periods. Both extension periods have been exercised and the contract therefore expires on 30 June 2020 and a new tender is required. With the council's agreement, Servest sub-contract the washroom services element of the contract to Initial.
- 2.2 Contract performance has met the required standards. Overall relevant stakeholders across the council are satisfied with the cleaning as delivered. The cost for regular elements of the current contract is £638,508 for the final year, excluding consumables and ad-hoc additional cleaning and variations. The cost of variations for the period 01/04/2018 to 01/04/2019 was £13K.
- 2.3 Following a procurement exercise, the current window cleaning contract was awarded to Hi-Spec Services on 1 July 2018 for a period of three years with the option to extend for two further one year periods. Hi-Spec have underperformed during this contract period and notice to terminate was served in early September 2019. Spend on the regular elements of the current contract is £27,745 per annum.
- 2.4 There is now the opportunity to re-procure three separate lots: Lot 1 – Building Cleaning, Lot 2 – Window Cleaning (internal and external) and Lot 3 – Washroom Services. This will give suppliers the opportunity to bid for one or multiple lots. The re-procurement exercise will also allow the council to incorporate the cost of consumables within the fixed annual service charge. Spend on consumables is currently high at c£50,000 per annum.

**3. Issues, Options and Analysis of Options**

- 3.1 The value of the contract requires full compliance with EU Procurement regulations. Proceeding through an EU tender with implementation takes approximately six months from start to finish.
- 3.2 Within this procurement it is important to include sufficient time for implementation because if there is a change in contractor, it is likely there will also be a TUPE transfer of staff at contract change-over for the building cleaning element. Some of these staff may be enrolled within the Local

Government Pension Scheme through the current contractor's "admitted body status". Analysis of pension options or providing time to manage a new contractor's application will require at least a month to complete.

- 3.3 It is anticipated that, should Cabinet agree the recommendations set out in this report, the tender will be issued during October 2019.

#### **4. Reasons for Recommendation**

- 4.1 This report is submitted to Cabinet in accordance with the Council's Contract Procedure Rules to seek approval to proceed to tender for a contract with a whole life cost valued above £750K. The total estimated value for this contract over the maximum five year period of delivery is c£3.6m.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 This proposal has been discussed and agreed with the relevant building managers or officers responsible for the properties contained within the cleaning portfolio.
- 5.2 Customer satisfaction is monitored in accordance with agreed quality audit checks. A monthly feedback form is completed by each site and the results are collated and recorded; issues raised by staff and visitors in terms of cleaning performance has shaped the output and outcome standards to be set.

#### **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The new corporate cleaning contract aims to meet corporate priorities overall through the delivery of high quality services, ensuring pride in Thurrock properties for both staff and visitors.

The following two examples show how priorities will be delivered through the contract:

Priority	Delivered By
People – a borough where people of all ages are proud to work and play, live and stay	High quality, consistent and accessible public services which are right first time
Place – a heritage-rich borough which is ambitious for its future	Clean environments that everyone has reason to take pride in

#### **7. Implications**

##### **7.1 Financial**

Implications verified by: **Rosie Hurst**  
**Interim Senior Management Accountant**

The procurement aims to secure a contract within or below the current total annual price. A schedule of rates will be included for ad hoc cleaning and provision of cleaning operatives to ensure that there is full visibility of costs during the term.

## 7.2 **Legal**

Implications verified by: **Kevin Molloy**  
**Principal Solicitor**

This report is seeking approval from Cabinet to tender the contract as set out in the report. The proposed procurement being considered is estimated at above EU thresholds for supplies and service contracts (currently set at approximately £181,302). This means that it is necessary to either competitively tender the contract via the Official Journal of the European Union (OJEU) or use a public service framework such as through the Crown Commercial Services.

Legal Services note this tender will be conducted in accordance with the Public Contract Regulations 2015 (the "Regulations") using the open procedure.

Taking the above into account, on the basis of the information in this report, the proposed procurement strategy should comply with the Regulations and the Council's Contract Rules.

## 7.3 **Diversity and Equality**

Implications verified by: **Natalie Warren**  
**Strategic Lead, Community Development & Equalities**

Although this is not a front line service, the procurement process will establish a suitable supplier(s) who are able to demonstrate excellent practice in employment including equal opportunity recruitment, training and staff terms and conditions.

## 7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None specific

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

None

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