

Committee: Cabinet

Date: 11th November 2019

Wards: All

Subject: Award of Corporate Cleaning Services Contract

Lead officer: Mark Humphries – Assistant Director Infrastructure & Technology

Lead member: Councillor Mark Allison – Cabinet Member for Finance

Contact officer: Edwin O'Donnell – Head of Facilities Management

Recommendations:

1. Award the corporate cleaning services contract to Tenderer A for a 3 year period from 1st April 2020 to 31st March 2023 with the option to extend for 2 x 1 additional years (in increments) for a maximum of 5 years to 31st March 2025, subject to satisfactory performance at a cost of £1,829,000 for 3 years, or £3,048,336 for 5 years.
 2. That Cabinet grant delegated authority to the Director of Corporate Services after consultation with the Cabinet Member for Finance to approve the additional 2 x 1 year extensions.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To seek approval to award a new corporate cleaning services contract to the most economically advantageous tender, Tenderer A, following an OJEU restricted tender for a 3 year period from 1st April 2020 to 31st March 2023 with an option to extend for 2 x 1 additional years (in increments) for a maximum of 5 years to 31st March 2025, subject to performance and at the discretion of the Council.
- 1.2 In response to an OJEU notice 24 Selection Questionnaire responses were received and following a shortlisting process 5 companies were invited to tender and 3 companies returned a tender. The pre-determined evaluation criteria was based upon a weighting of price 50%: quality 50%. Overall tenderer A scored highest and is recommended to be accepted.
- 1.3 Tender Evaluation quality and price scores

CONTRACTOR	QUALITY SCORE	PRICING SCORE	TOTAL SCORE
Tenderer A	44%	50%	94%
Tenderer B	29%	49%	78%
Tenderer C	33%	47%	80%

2 DETAILS

- 2.1 The current Corporate Cleaning Contract expires on the 31st March 2020.
- 2.2 The contract is for the provision of cleaning services to the Council's corporate and non-educational operational sites; including Merton Civic Centre, Morden Park House register office and other corporate sites,

Libraries, Youth Centres, Children’s and Community Centres (24 sites in total.)

3 ALTERNATIVE OPTIONS

3.1 Alternative options have previously been considered which are now included within the current contract arrangements, namely the transfer of relevant buildings from the schools contract to the corporate services cleaning contract. The contract now includes sites such as Children’s Centres, Libraries, Community and Youth Centres.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1 Consultation with the Site/Service Managers regarding their cleaning requirements has been undertaken. The procurement exercise has been overseen by a member of the Council’s Commercial services team and Legal Services have also provided advice.

5 TIMETABLE

5.1

Stage / Activity	Dates
Publication of ITT	22 nd August 2019
Last date for ITT clarification questions	9 th September 2019 at 12pm
Closing date for receipt of ITT	23 rd September 2019 at 12pm
Evaluation of ITT	24 th September 2019
Cabinet Meeting	11 th November 2019
Call-in	19 th November 2019
Notification of the Councils intention to award	20 th November 2019
Standstill Period	21 st to 30 th November 2019
Contract Commencement date	1 st April 2020

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 The contract must be awarded to a company with relevant expertise, industry accreditation and required insurance indemnity with a record of performance and delivery.

6.2 Funding for cleaning services is from devolved departmental budgets as per current arrangements. It should be noted that there is not a centralised budget for cleaning services.

- 6.3 The cost of the retendered contract has increased. This may in part be due to the mandatory incremental increases to the National Living Wage in accordance with recent government legislation over the past 3 years. All tenderers were requested to provide a fully inclusive cost for the current and impending increases to the National Living Wage for the contract term.

Any future price adjustment throughout the contract term will be based on an annual increase or decrease based on CPI (Consumer Price Index) which is currently 1.8 %.

The Council's Departmental Finance Managers have been advised of the increased cost implications.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1 This contract must have been procured in accordance with the Councils Contract Standing Orders. In addition, as this contract value is over the EU threshold, accordingly this has been procured under the Restricted Procedure set out in the Public Contracts Regulations 2015 and comply with the Treaty Principles of transparency, non-discrimination and equal treatment. A ten day standstill period prior to entering into any new contract will be run, as set out above and deselection letters will be approved by legal before they are issued to ensure compliance with the Public Contracts Regulations 2015.

- 7.2 Upon approval the contract will need to be formalised and executed.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 The tender process required all bidders to determine if and to what extent there were any potential TUPE implications for the staff currently providing the service.

No TUPE transfer or redundancy liabilities arise from the award of this contract as the incumbent company have submitted the successful bid.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1 None identified.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 The successful company is registered as compliant with CHAS (Contractors Health & Safety Assessment Scheme) and have provided detailed method statements and risk assessments for the day to day operation of the contract.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix 1 – A copy of the Tender Analysis Report.

12 BACKGROUND PAPERS

None for the purposes of this report.

This page is intentionally left blank