

Report to Cabinet

21 March 2024

By the Cabinet Member for Local Economy and Place

DECISION REQUIRED



**Horsham
District
Council**

Partially Exempt

Appendix - Exempt under Paragraph 3 of Part 1 of
Schedule 12A to the Local Government Act 1972

Cleaning Services Contract - contract award

Executive Summary

The purpose of this report is to seek approval to enter into a contract for the cleaning of the Council's operational buildings with the winning bidders of Lot 1 and Lot 2.

With the expiry of the existing contract ending on 31 May 2024, prices were obtained via an open tender process along with three other Councils to obtain economies of scale in pricing.

Both bidders provided winning scores on a basis of 40% quality and 60% price basis and have provided prices that are within the financial budget for 2024/25.

Recommendations

That the Cabinet is recommended:

- i) to approve the award of the contract to the winning bidders for Lot 1 and Lot 2 of the cleaning contract for the Council's operational buildings on the terms contained in the attached appendix.
- ii) to delegate authority to the Director of Place, in consultation with the Head of Legal & Democratic Services to finalise terms and conditions of and enter into a contract with the highest scoring bidders for the cleaning contract

Reasons for Recommendations

A compliant tender process has taken place to select the winning bidders who have confirmed they can deliver the services for the cleaning of the Council's operational buildings in line with the expiry date of 31 May 2024.

Background Papers

Nil

Wards affected: All wards

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Background Information

1 Introduction and Background

- 1.1 The two cleaning service contracts that relate to the Council's operational buildings are due to expire on 31 May 2024. The buildings have been split over 2 Lots according to the type of use and need for flexible cleaning requirements. The current contracts are held by two different suppliers.
- 1.2 Due to the total value of the contracts over the 4-year contract term, an open tender process has taken place. To achieve economies of scale and better pricing, the tender also included buildings from three other Councils who form part of the Council's Shared Procurement Service.
- 1.3 The winning bidders for the separate contracts are different contractors. The costs have increased annually in line with RPI and the real living wage so the new pricing will not have a large impact on the budgeted amounts.

2 Relevant Council policy

- 2.1 The tender specifications include a requirement to use sustainable cleaning products, in line with Council's policy for inspiring greener futures.
- 2.2 The specification also requires contractors to pay employees the real living wage which aligns with always listening and improving and responding to inclusion issues and in accordance with the Council's Sustainable Procurement Charter

3 Details

- 3.1 Lot 1 includes the Council's office buildings, (except Parkside), public conveniences, visitor centres in Warnham and Southwater and the common areas within housing blocks. Lot 2 includes the Horsham Museum and The Capitol.
- 3.2 The tender was based on a combination of 60% price and 40% quality. The quality questions required contractors to:
 - demonstrate experience in delivering the contract,
 - outline their resource strategy
 - advise how they would ensure Health and Safety
 - confirm their contract management set up
 - advise how a sustainable service would be delivered
 - confirm the elements of contract mobilisation
- 3.3 Each question was evaluated by a representative from the four Councils giving a score of 0 for unacceptable to 5 as an excellent response.
- 3.4 The proposed winning bidder for Lot 1 achieved a weighted score of 86.40 and provided a contract price that was placed 4th out of 7 companies.
- 3.5 The proposed winning bidder for Lot 2 achieved a weighted score of 90.15 and provided a contract price that placed 5th out of 6 contractors.

4 Next Steps

- 4.1 Due to the total value of the contract approval is required from Cabinet.
- 4.2 Once approved by Cabinet, due diligence of the tender applications will take place. An intention to award letter will be sent to the contractor and a 10-day standstill period will take place before the contract is finally awarded.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 Consultation has occurred with the Monitoring Officer and the Director of Resources to ensure legal and financial probity.

6 Other Courses of Action Considered but Rejected

- 6.1 A further lot relating to the public conveniences was considered but rejected due to the small number included in this which would then require additional driving over distances.

7 Resource Consequences

- 7.1 The proposed winning bid for both Lots is included in the exempt appendix. Both Lots are under the budgets included in the 2024/25 budget.

8 Legal Considerations and Implications

- 8.1 The Monitoring Officer is satisfied that (i) the Council has effected a legally compliant procurement process, (ii) the Cabinet has the authority to approve the award of the contract to the winning bidder, and, (iii) the decision to procure the cleaning service contracts that relate to the Council's operational buildings, sits within the Council's budget and policy framework.

9 Risk Assessment

- 9.1 A risk exists in relation to Lot 2 with the proposed refurbishment of The Capitol. However, this was declared at the time of tender.
- 9.2 There is always a risk of a contracting company failing however we have mitigated this by the due diligence carried out on the financial strength of the companies and also included this in the weighting within the quality process.

10 Procurement implications

- 10.1 The tender process was undertaken in accordance with the Public Contracts Regulations 2015 and with the Council's Procurement Code. A Procurement Officer oversaw the procurement process.
- 10.2 The tender and selection process is compliant with the Council's procurement policy.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 Following the experience of a shortage of staff to carry out the current contract we have committed to paying the real living wage ensuring this supports inclusion.

12 Environmental Implications

- 12.1 The requirement to confirm how the contractor will provide a sustainable service was included as one of the questions forming the quality score.
- 12.2 The winning bidder for Lot 1 explained how they utilise electric vehicle and route minimisation. They also use local suppliers to reduce packaging and actively encourage suppliers to do this. Biodegradable chemical and reusable containers are utilised on a daily basis.
- 12.3 The winning bidder for Lot 2 uses hybrid vehicles. They also committed to alternatives from the current unsustainable products used. They train staff to turn off machines not in use and are committed to a supplier code of conduct.

13 Other Considerations

- 13.1 The proposed contractors both have robust policies in relation to crime and disorder.