

# Arun District Council

<b>REPORT TO:</b>	<b>Economy Committee – 22 October 2024</b>
<b>SUBJECT:</b>	<b>Corporate Cleaning Contract</b>
<b>LEAD OFFICER:</b>	<b>Nat Slade, Group Head of Technical Services</b>
<b>LEAD MEMBER:</b>	Councillor Roger Nash, Chair of Economy Committee
<b>WARDS:</b>	<b>River, Courtwick with Toddington, Hotham, Orchard, Brookfield, Rustington West, Rustington East, East Preston, Angmering and Findon, Pevensey, Bersted, Felpham East, Barnham</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b> Contract Standing Orders requires Officers to seek authority from Committee to enter into contracts where the UK Threshold (£429,809.00) is to be exceeded. Contract Standing Orders also require that supply contracts over £100k up to UK Threshold require open tendering via the InTend portal, use of an existing Framework agreement, or Dynamic Purchasing System. Contract Standing Orders require contracts over £177,897 (Ex VAT) in total, be signed as a Deed.	
<b>DIRECTORATE POLICY CONTEXT:</b> The Financial Prospects five-year forward looking plan will reflect the revised contract rates from 1 April 2025-2029 and authority to enter in to contract prior to budgets being set is sought for financial years 2025/26, 2026/27, 2027/28, 2028/29, 2029/30, and 2030/31.	
<b>FINANCIAL SUMMARY:</b> Current total expenditure for this service is £256k per annum (including £8k consumables). The recommendation of this report will cost £240k per annum inclusive of consumables in year one, with inflationary increases linked to CPI annually thereafter.	

## 1. PURPOSE OF REPORT

- 1.1. To update Committee on the Council's corporate cleaning arrangements and provide recommendation for entering into a new corporate cleaning contract.

## 2. RECOMMENDATIONS

- 2.1. That Committee:
- 2.2. Delegate authority to the Group Head of Technical Services to enter into a new Corporate Cleaning Contract under the ESPO Framework 263\_20 with contractor B as set out in the body of this report.

### 3. EXECUTIVE SUMMARY

3.1. To update Committee on the Council's corporate cleaning arrangements and provide recommendation for entering into a new corporate cleaning contract.

### 4. DETAIL

4.1. In November 2016 Cabinet approved the award of a Corporate Cleaning Contract. The contract was a 2+1+1+1+1 format, commencing 1 April 2017. Being satisfied with the contractors performance on each occasion, officers extended the contract annually from April 2019 in accordance with the original agreement. The contract expired on 31 March 2023.

4.2. Officer workloads have impacted the ability to renew the Corporate Cleaning Contract in a timely manner. The contract has been extended further by agreement between the parties to allow the Council to prepare and undertake the necessary procurement exercise for renewal of this contract without a break in service.

4.3. The Corporate Cleaning Contract provides vital cleaning services to the Council's operational assets (offices, yards, depots, etc.) and to Housing sheltered schemes. The contract is written on the basis of a performance specification in line with industry best practice (i.e. the specification describes what is to be achieved rather than prescribing how to carry out the activity), and includes the supply of necessary cleaning materials and consumables.

4.4. Under the current contract, total expenditure in the 2023 financial year was £256k (including £8k consumables) across all general fund and housing sites.

4.5. Officers have updated the contract requirements and specification, taking advice from Hampshire County Council Procurement Services and the Council's legal team. Hampshire County Council Procurement Services have advised of the most appropriate procurement strategy.

4.6. Using ESPO Framework 263\_20 (Lot 1 - General Cleaning) a mini competition was held. Two bids were received and officers have assessed these with a weighting of 40% price 60% quality. The following table provides a summary of the bids received:

	Contractor A	Contractor B
Total Quality Evaluation (%)	30.00	30.00
Total Price (£)	£1,667,757.68 (exclusive of consumables)	£1,437,735.88 (incl. £62,852.96 consumables)
Total Price Evaluation (%)	2.58	20.98
Total Overall (%)	32.58	50.98
Rank	2	1

Full details of the quality and price assessments, including a draft Award Recommendation Report are provided as exempt appendices.

- 4.7. Following assessment, Contractor B is recommended as the most economically advantageous supplier.
- 4.8. Subject to committee approval, the new contract will commence 2 December 2024 for an initial period of two years, with option to extend by a further four one-year periods. The format of the contract term and options within the contract to add or remove sites gives flexibility to accommodate potential changes to the Council's asset portfolios.
- 4.9. The whole life contract price presented by Contractor B is stated to be £1,437,735.88. However, the contract makes allowance for annual inflationary increases linked to CPI. Hampshire County Council have advised to allow for an estimated annual increase of 3.4% which is summarised below.

Year 1	£239,622.65
Year 2	£247,769.82
Year 3	£256,193.99
Year 4	£264,904.59
Year 5	£273,911.34
Year 6	£283,224.33
Total	£1,565,626.72

## **5. CONSULTATION**

- 5.1. No public consultation regarding the recommendations of this report has taken place.
- 5.2. Elected members of affected wards have been notified directly of this work program item, and no responses have yet been received.
- 5.3. Hampshire County Council have provided procurement advice and guidance on this matter.
- 5.4. The Council's Neighbourhood Services Team Leader has provided assistance in reviewing contract requirements in respect of Housing sites.
- 5.5. The Council's Legal services have reviewed the Form of Contract and Call-Off Terms for ESPO Framework 263\_20.

## **6. OPTIONS / ALTERNATIVES CONSIDERED**

- 6.1. **Do nothing:-** This option is not recommended. If no action is taken, the existing contract will continue to roll over. There is a risk that the existing supplier withdraws from the contract. Continuation in this manner is not compliant with contract standing orders.
- 6.2. **Award the contract to an alternative bidder:-** This option is not recommended. Bids received have been assessed in accordance with contract standing orders and advice from Hampshire County Council Procurement Services.
- 6.3. **In-source the delivery of this function:-** This option is not recommended. The Council does not currently have expertise or capacity for direct management of cleaning services, and would therefore not be able to do so efficiently.

## **7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER**

- 7.1. The recommendations of this report to enter into a new corporate cleaning contract with Contractor B, demonstrate a £16k saving to the Council in year one against current spend. Year on year increases are linked to CPI.

## **8. RISK ASSESSMENT CONSIDERATIONS**

- 8.1. The recommended course of action is low risk and is in accordance with advice received from Hampshire County Council Procurement.
- 8.2. Cleaning services are business-critical to ensure the cleanliness and safety of staff and residents. The continuity of the service is covered in the specification to ensure the contractor can provide a resilient service with the ability to adapt to demand. This contract will be actively managed during the term of the contract by holding monthly performance meetings with the appointed supplier.

## **9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

- 9.1. Legal support has been given throughout the process.
- 9.2. The procurement has been undertaken in accordance with Constitutional and Legal requirements under the Public Contracts Regulations 2015.

## **10. HUMAN RESOURCES IMPACT**

- 10.1. The issuing and management of this contract is an ongoing activity and will be delivered within existing resource.
- 10.2. The recommendations of this report are compliant with the Transfer of Undertakings (Protection of Employment) Regulations 2006.

## **11. HEALTH & SAFETY IMPACT**

- 11.1. There are health and safety implications in relation to the cleaning activities to be delivered under the contract. The contract includes expectations of specific performance in regards to health and safety legislation and best practice, and the procurement process has assessed the health and safety submissions provided by bidders. Critical health and safety criteria are assessed on a pass/fail basis. The contract provides appropriate mechanisms for dealing with any health and safety concerns or breaches which may arise.

## **12. PROPERTY & ESTATES IMPACT**

- 12.1. There is no additional impact on the Council's general fund estate.

## **13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

- 13.1. The recommendation of this report has no direct equalities impact.

## **14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

- 14.1. Within the specification used for this procurement the following climate related requirements were included:
- All cleaning materials and consumables must be of environmentally friendly nature (where adequate products are not available and hazardous substances must be used the contractor must undertake a full COSHH assessment).
  - The council has the right to prohibit the use of any material deemed undesirable at any time.
  - All products used should be reliably identified as being the most environmentally friendly and chlorine bleaches are prohibited for use.

## **15. CRIME AND DISORDER REDUCTION IMPACT**

- 15.1. There are no specific crime and disorder implications.

## **16. HUMAN RIGHTS IMPACT**

- 16.1. There are no direct human rights impacts arising from the proposals of this report.

## **17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

- 17.1. There are no specific FOI or Data Protection implications arising out of these recommendations.

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### **CONTACT OFFICER:**

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**BACKGROUND DOCUMENTS:**

[Minutes of Cabinet Nov 2016 - Award of Corporate Cleaning Contract 2017-2019](#)

[EXEMPT - Draft Award Recommendation Report \(Incl Reg 84\)](#)

[EXEMPT - Scoring Matrix Summary.pdf](#)

[EXEMPT - Quality Assessment.pdf](#)