

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 7 December 2015

Portfolio:	Policy, Strategy and Finance
Subject:	Award of Contract – Cleaning Services
Report of:	Director of Operations
Strategy/Policy:	
Corporate Objective:	A safe and healthy place to live and work

Purpose:

This report considers the tenders received for the provision of cleaning services for specified Council owned buildings and designated areas of the town centre. The report recommends an award of contract for the services.

Executive summary:

The existing five year cleaning contract is due to end in March 2016. Therefore, it has been necessary to update the current specification schedule and associated documentation and undertake a re-procurement exercise. The new contract will run for five (5) years with a possible two (2) year extension option.

The contract will include the cleaning of buildings such as Ferneham Hall, pavilions, public conveniences, housing sites and the newly acquired control tower at Daedalus airfield. The contract includes the option for additional “provisional” locations to be added should it become necessary over the term of the contract.

The operations to be undertaken within the contract will include window cleaning, general cleaning, street washing, notice boards, wheeled bins as well as deep cleaning of void properties.

The contract was advertised via the Official Journal of the European Union (OJEU) with tenders issued on 4 September 2015 with a closing date of 2 October 2015.

Eight contractors submitted tenders. The evaluation panel scored all valid tenders based on the Best Price Quality Ratio in order to rank and position the tenders.

Recommendation/Recommended Option:

That the Executive agrees to award the contract to the contractor ranked in 1st position (as set out in confidential appendix A) being the best price quality ratio tender received.

Reason:

To provide cleaning services for Fareham Borough Council specified owned buildings and other site locations for a period of five years, with the option to extend by further two years.

Cost of proposals:

The value of the cleaning services contract resultant from this tender over the five year term is approximately £1.9M. The cost of the contract is more than is provided for in existing revenue budgets. However, the increase has been recognised as a budget pressure in the Medium Term Finance Strategy and will be dealt with accordingly during the budget setting process.

Appendices:

A: Confidential Appendix providing information on tenders received (*Exempt by virtue of Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.*)

Background papers: None.

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Executive Briefing Paper

Date:	7 December 2015
Subject:	Award of Contract – Cleaning Services
Briefing by:	Director of Operations
Portfolio:	Streetscene

INTRODUCTION

1. The purpose of this report is to consider the tenders recently received and award the contract for the cleaning of specified Council owned buildings along with Specialist Street washing for designated areas of the town centre.

BACKGROUND

2. In January 2011, the Executive awarded the Corporate Cleaning Contractor to Fountains Environmental Ltd (who were subsequently acquired by OCS Compliance to whom the contract was novated) a five year contract which expires on 3rd April 2016.
3. As a consequence of this it has been necessary to undertake a retendering exercise to find a suitable provider to continue this service after the expiry date.

CONTRACT SPECIFICATION

4. A review of the specification was undertaken with each of the relevant departments, such as Housing, Car Parking, Ferneham Hall etc. and some amendments and additions were made. Having four or more years of working with the existing specification, officers have taken the opportunity to alter aspects where ambiguity was present and insert improvements based on customer feedback.
5. The specification includes cleaning arrangements in the following buildings and sites.
 - Housing Establishments – Sixty three separate sheltered and non-sheltered places of multiple occupancy (three of which are provisional)
 - Ferneham Hall - toilets, offices and associated rooms
 - Council Depot - toilets, offices and associated rooms
 - Public Conveniences -fifteen in total
 - Pavilions - seven pavilions (& one cemetery chapel)
 - Car Parks - toilets, offices and associated rooms along with stairwells, lifts and lobbies.
 - Town Centre - main shopping area of West Street
 - Civic Offices - window cleaning only

6. New items that have been added to this contract include:
- Public Notice Boards – forty three in total
 - Welcome boards – nineteen in total
 - Daedalus Airfield Control Tower – offices and windows
7. The general tasks contained within the contract can be categorised as:
- General cleaning of offices and associated rooms
 - Cleaning housing communal areas, car park lobbies and stairwells, sports changing rooms
 - Cleaning public toilets along with opening and closing
 - Window cleaning
 - Cleaning of wheeled refuse bins
 - Gum removal and specialist street washing
 - Temperature checking and flushing for Legionella control
 - Single ad-hoc clean-up operations including the clearance of void properties

TENDER PROCESS AND EVALUATION CRITERIA

8. The contract was advertised via the Official Journal of the European Union (OJEU). Tender documents were issued and received electronically via the Council's e-tendering portal (South East Business Portal). Timeline below:

Issue of e-ITT by the Council	04.09.15
Site visits (for interested tenderers)	14.09.15 to 18.09.15
Closure date for e-bid responses	02.10.15 (No later than 12.00noon)
Evaluation period and approval	05.10.15 to 31.10.15
Interview (short-list tenderers)	23.10.15
All Tenderers notified by:	31.12.15 (tentative)
Award of Contract	04.01.16 (tentative)
Contract / Agreement start:	04.04.16

9. As per the tender document, the tenders received were evaluated in accordance with the criteria listed below:

Award Criteria	Weighting
Cost <i>(Fixed price to deliver the outcome specification.)</i>	40%
Service Quality <i>(Covering experience, management and organisation, working procedures, health & safety, continual improvement.)</i>	60%
Total	100%

TENDERS RECEIVED

10. Tenders were received electronically on 2 October 2015 and were opened by the Democratic Services Officer and witnessed by the Procurement Officer. Of the thirty nine (39) suppliers who expressed initial interest, eight (8) submitted a tender by the

deadline, nine (9) suppliers opted out and twenty two (22) gave no response.

TENDER EVALUATION

11. The tender submissions were evaluated by officers in accordance with the criteria set out in the invitation to tender. The scores and ranking for the tenders received are represented in the confidential appendix A.

RISK ASSESSMENT

12. Many of the usual and identifiable risks initially present in this type of project have been negated through the council's rigorous and structured procurement process.
13. The Council has sought to reduce the risks of this procurement by:
 - Procuring in line with Public Contracts Regulations 2015 using an open transparent OJEU compliant tender process.
 - Using electronic tendering to ensure all tenderers had access to the same documentation and that all questions and answers were shared.
 - Enabling tenderers to visit site location with Council officer present for Q&A during the tender timeline.

FINANCIAL IMPLICATIONS

14. All of the submitted tenders are more expensive than what the Council has been paying, however one of the main reasons for this is that this contract has high employee costs due to the nature of the work involved.
15. Members will be aware that the minimum National Living Wage comes into force on 1st April 2016 (£7.20 per hour) rising to £9.00 per hour by 2020. This has a significant implication for this contract as it is labour intensive and as such tenderers had to build in provision from the start of this fixed cost contract.
16. Excluding the provisional locations (optional items) contained within the preferred tender submission, there will be an increase in the required revenue budgets from 2016/17 as set out in Appendix A. The additional budget required across all the relevant services has been identified in the Medium Term Finance Strategy as a budget pressure and will be dealt with as part of the budget setting process.
17. If during the contract term a decision is made to add any of the provisional locations (e.g. sites currently cleaned by in-house staff, new locations or ad-hoc special cleaning) to the contract then additional revenue budget will be required as set out in Appendix A.

CONCLUSION

18. The tender process resulted in eight tender submissions by the deadline date for cleaning services specified by the Council.
19. It is recommended that the tender submitted by the contractor ranked in 1st position (as set out in confidential appendix A) be awarded the contract for five years beginning on 4 April 2016, with extension option for additional two years.