

## **CABINET**

<b>DATE</b>	1 <sup>st</sup> December 2021
<b>REPORT OF</b>	Councillor Stanley Shreeve – Deputy Leader and Portfolio Holder for Finance, Resources and Assets
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot – Executive Director of Environment, Economy and Resources
<b>SUBJECT</b>	Corporate Cleaning Contract 2022
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 12/21/07

### **CONTRIBUTION TO OUR AIMS**

The provision of cleaning services to corporate buildings within a reduced revenue budget, ensuring the minimum cleaning standards are met, alongside the necessity of staff to ensure work areas and kitchens are self-managed will support the delivery of the Council's commitment to reduce revenue spend to achieve the Medium-Term Financial Plan and thereby contribute to the delivery of a stronger economy and stronger communities.

### **EXECUTIVE SUMMARY**

The purpose of this report is to seek approval to commence the tender process for a new cleaning services contract which is reflective of the use of sites moving forward and for the approval to award the tender to a successful provider be agreed via delegated powers and Officer Decision Record (ODR) once the tender process has been completed and a preferred provider is identified.

### **RECOMMENDATIONS**

It is recommended that Cabinet:

1. approves the principle to commence a procurement exercise for a new cleaning services contract with a reduced cleaning regime, where appropriate and in line with health and safety and Covid requirements.
2. delegates to the Executive Director of Environment, Economy and Resources, in consultation with the Deputy Leader and Portfolio Holder for Finance, Resources and Assets, authority to commence a procurement exercise and thereafter award the successful tender to a preferred provider and settle all terms and ensure that all necessary actions are carried out to mobilise and implement the contract.
3. authorises the Assistant Director of Law, Governance and Assets (Monitoring Officer) to complete and execute all requisite legal documentation in relation to the matters outlined above.

### **REASONS FOR DECISION**

The current contract has expired and in light of new ways of working and use of sites, a revised cleaning regime is required to supplement self-management of cleaning across work areas and kitchens. In order that the new contract for cleaning services can mobilise as soon as possible it is essential that a decision is made to commence

the procurement and award the tender at the earliest opportunity following evaluation.

## **1. BACKGROUND AND ISSUES**

- 1.1 The contract for cleaning the Council's corporate buildings has expired, following the contract extensions periods of 2 x 12 months is now holding over in order to allow Officers to determine whether the services would be appended to the existing Regeneration Partnership or a procurement exercise. It has been determined that EQUANS do not wish to be considered for managing the contract and therefore a procurement exercise is necessary.
- 1.2 The current approved budget for cleaning services is in excess of £550,000 over a three (3) period. This included a saving of £70,000 per annum on the previous contract as agreed through the Council's transformation programme which again would be a factor when considering a new contract.
- 1.3 The intention is that the Council will invite expressions of interest to bid for the cleaning contract which will reflect the revised and necessary regime and standards in essential areas only, such as toilets and high touch areas in light of Covid, with the increased requirement for staff to take up measures to clean their own workstations and manage kitchen areas. The frequency of other activity will then be scaled back as appropriate to the requirements of each individual site.
- 1.4 There may be some push back from this approach with the expectation that staff continue to maintain standards in more areas, and the contract will ensure the necessary health and safety standards are being met as well as balancing the emerging use of sites to achieve Best Value and where possible, a reduction in the current cleaning regime and contract cost.
- 1.5 The tender will be advertised through YORtender, the Council's procurement portal. Requirements within the tender documentation will include a budget 'cap' in line with the approved budget for cleaning services, therefore bids will not be accepted if they exceed the approved budget.
- 1.6 It is proposed that if an in-principle agreement is provided as set out in the recommendations of this report, the award of the contract is delegated without the need for a further Cabinet mandate. If there are significant pressures in achieving acceptable bids (due to the cost cap), this position will be reviewed.
- 1.7 To ensure the expeditious award and mobilising of the contract however, an Officer Decision Record (ODR) will capture the details of all the bids and identify the preferred bidder once the closing date for receiving bids has been met and the tenders have been evaluated. If the contract is to be awarded to a new provider, the mobilisation period will include TUPE transfer of staff from the existing provider to the new provider.

## **2. RISKS AND OPPORTUNITIES**

If a decision on the commencement of a procurement exercise and the tender and award of a new contract is not expedited, there is a risk that the current cleaning regime exceeds the requirements due to the use of assets and the costs being incurred currently are higher than the new contract which does not provide value for money to the Council.

There is an opportunity to build on the new ways of working and use of assets since Covid and reduce the cleaning regime in line with health and safety and

Covid requirements, with other areas being supplemented by staff, namely in self-management of work areas and kitchens for example.

The service provider will be required to use environmentally friendly materials and cleaning products throughout the contract period.

### **3. OTHER OPTIONS CONSIDERED**

Do Nothing - the current contract for cleaning services has ended following the main contract term of three (3) years, plus 2 x 12-month extensions. The contract is holding over until completion of the procurement exercise and award. In addition, the cleaning regime has changed in light of the use of assets and Covid, therefore, to ensure value for money and that the service is continued, this is not considered a viable option.

### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

There are potential positive/ negative reputational implications for the Council resulting from the decision. The procurement is being progressed under procurement legislation in an open and transparent way, and all steps (including decisions) are communicated through YORtender (procurement portal) as required under the legislation. The cleaning regime has changed since the outbreak of Covid and the organisation has adapted to new ways of working which has seen a reduction in the use of assets. The cleaning regime needs to reflect this and the ongoing requirement of staff to self-manage work areas and kitchens.

### **5. FINANCIAL CONSIDERATIONS**

The proposal outlined within the report supports the Council's key financial objective to continue to have reduced overheads. The proposal will be financed through a reduced revenue budget for cleaning services. The current cleaning regime will be reduced to reflect new ways of working and staff self-managing in some areas which should lead to a reduced revenue spend over the initial term of the contract which will be reflected as a saving within the Medium-Term Financial Plan.

### **6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

The recommendations outlined within this report have been considered so far as their impact of the proposal on climate change and the environment. In reference to the Council's environmental policy, the proposal supports the Council's environmental priorities:

- By recognising and realising the economic and social benefits of a high-quality environment.
- By working towards a low carbon North East Lincolnshire that is prepared for, and resilient to, the impacts of climate change.

### **7. CONSULTATION WITH SCRUTINY**

There has been no consultation with Scrutiny to date.

## **8. FINANCIAL IMPLICATIONS**

The procurement exercise helps ensure that the Council achieves value for money from its cleaning contract. Tender bids will be evaluated against existing cleaning budgets to assess whether this will result in savings or additional pressures.

## **9. LEGAL IMPLICATIONS**

- 9.1 The anticipated procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.
- 9.2 The delegations sought are consistent with an exercise of this nature.
- 9.3 Officers should note that an award constitutes a further decision and will be subject to completion of an Officer Decision Record and be subject to call in. Award and implementation timelines should accommodate this.

## **10. HUMAN RESOURCES IMPLICATIONS**

On conclusion of the procurement process, clear expectations and requirements will need to be communicated to all staff around self-managing cleanliness standards within their areas of work to ensure that H&S and covid risks are managed with the reduced cleaning regimes.

## **11. WARD IMPLICATIONS**

No Wards are affected directly by this decision as it relates only to the operational corporate property portfolio held by the Council.

## **12. BACKGROUND PAPERS**

There are no background papers to this report.

## **13. CONTACT OFFICERS**

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