

Report of Head of Property Maintenance

Report to Chief Officer, Civic Enterprise Leeds

Date: 24th June 2014

Subject: Extension of the Cleaning Materials, Equipment and Chemicals Contract

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3) Appendix number: Appendix 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

Property Maintenance Cleaning is seeking approval for the continued use of a contract set up by Bradford Council for the supply of cleaning materials through the provision of an extension.

The contract was for three years with a provision to extend for a further 12 months and commenced on the 1st August 2011. The extension is for 12 months from 1st August 2014 and will provide enough time to retender the contract through a joint exercise with Bradford Council.

A number of Leeds City Council Directorate buys cleaning materials from the contract including Adult Social Care, Children's Services, City Development, Environment & Housing and School. The primary user of this contract is Property Maintenance Cleaning.

The contract helps to support PM Cleaning services that keep the Civic buildings, Housing's building's communal areas, Leisure centres and Education buildings clean and hygienic for both staff and customers.

The contract has proved to be very competitive for the acquisition of cleaning materials and equipment and shown to provide 10% savings on Property Maintenance's cleaning material budgets. During the extension period it will continue to produce savings.

Recommendations

1. The Chief Officer for Civic Enterprise Leeds is recommended to agree that Leeds City Council's Property Maintenance can continue to use Bradford Council's Cleaning Materials, Equipment and Chemicals Contract for a further year through the provision of an extension in accordance with Contract Procedure Rule 21.1

1 Purpose of this report

- 1.1 This report is to seek approval for the continued use through an extension of the supply of cleaning materials, equipment and chemicals framework contract that has been set up by Bradford Council.

2 Background information

- 2.2 Leeds City Council has a requirement for the supply of cleaning materials, equipment and chemicals for use within Leeds City Council cleaning services provided to its Civic buildings, Housing's building's communal areas , Leisure Centres and Education buildings.
- 2.3 The original LCC cleaning material contract expired on 31st July 2011 and was extended by a waiver to allow time to organise the new arrangements. The timescales to procure a new contract by Leeds City Council via OJEU proved to have been extremely tight to ensure that a new contract was in place prior to the expiry of the waiver period.
- 2.4 The estimated spend by Leeds City Council for the supply of cleaning materials, equipment and chemicals is around £700,000 per annum, based on previous years spend. The contract was therefore subject to the European Procurement Regulations and must comply with the full requirement of the Regulations.
- 2.5 Bradford Council had in place a framework contract for the supply of cleaning materials, equipment and chemicals, which had been priced via an e-auction. This was carried out in 2011 so the pricing was reflective of the market pricing position at the time.
- 2.6 The framework contract awarded by Bradford Council is fully compliant with the OJEU Regulations. The relevant clause has been inserted within the notice to ensure that other authorities could join the framework if required.
- 2.7 Procurement Unit Officers working with the client departments confirmed that the specification, product list and pricing mechanisms of the Bradford Contract fully meet Leeds City Council's requirements.
- 2.8 It was decided that the use of the framework would negate Leeds City Council having to carry out a full EU procurement exercise. This enabled Leeds City Council to cut down the timescale for tendering and resulted in a cost and resource saving. It also complied with the collaboration agenda and our social responsibility having a range of sustainable products within the catalogues. Using the contract would also allow the continued use of cleaning supplies without disruption to the service provision.
- 2.9 A waiver report (Appendix I) was submitted to the Chief Procurement Officer for the invocation of Contract Procurement Rule 8.5 (Ref. 2011 CPR's) for the use of the framework contract set up by Bradford Council.

- 2.10 The waiver report was approved in August 2011 for Leeds City Council to use Bradford Council's Framework Contract for the supply of Cleaning Materials, Equipment and Chemicals.
- 2.11 The contract was for three years with a provision to extend for a further 12 months and commenced on the 1st August 2011. The extension has now been awarded by Bradford Council for 12 months and will expire on the 31st July 2015. This will provide enough time to retender the contract through a joint procurement exercise with Bradford Council.

3 Main issues

- 3.1 Property Maintenance Cleaning is seeking approval for the continued use of a contract set up by Bradford Council for the supply of cleaning materials through the provision of an extension.
- 3.2 The contract was for three years with a provision to extend for a further 12 months and commenced on the 1st August 2011. The extension is for 12 months from 1st August 2014 and will provide enough time to retender the contract through a joint exercise with Bradford Council.
- 3.3 The contract helps to support PM Cleaning services that keep the Civic buildings, Housing's building's communal areas , Leisure centres and Education buildings clean and hygienic for both staff and customers.
- 3.4 The contract has proved to be very competitive for the acquisition of cleaning materials and equipment and will continue to produce savings during the extension period.
- 3.5 Various Leeds City Council Directorates use the contract including Adult Social Care, Children's Services, City Development, Environment & Housing and School. The primary user of this contract is Property Maintenance Cleaning.
- 3.6 Bradford Council framework contract was awarded by a tender through the OJEU restricted route testing the suppliers thoroughly and ensuring compliance in all areas that would be tested by the Leeds City Council process. The pricing element was conducted by an e-auction, of those organisations that passed the quality evaluations, which reduced prices to a very competitive level.
- 3.7 Through the e-auction no one organisation was the most competitive across all lines and items. A shopping basket approach (Appendix II) was taken to establish overall value for money.
- 3.8 Savings achieved through the framework were represented as follows;

E-auction items (as per appendix 1) represent around 25% (value) of items ordered by Leeds City Council, and equate to a 25% saving across the range on prices currently paid.

Non e-auction items represent the other 75% (value) and are around 8% lower in price (across the range) than Leeds City Council currently pay through the existing contract.

This equates to a saving of around 12.5% across the whole range of supplies of cleaning materials, equipment and chemicals.

Based on current spend, an estimated £80,500 per year can potentially be saved by utilising the framework contract.

3.9 The contract was reviewed by the relevant client departments within Leeds City Council to ensure that it fulfils the current requirements of each of the service areas;

- Civic Enterprise Leeds: Business Manager, Commercial Services.
- Learning & Leisure: Principal Service Development Officer, Sport & active Recreation.

3.10 The terms of the contract were also approved by LCC's Legal team.

3.11 The use of the contract has proved to be economically viable with Property Maintenance Cleaning experiencing 10% saving on their cleaning materials budget.

3.12 The Approval of this extension will provide enough time to retender the contract through a joint procurement exercise with Bradford Council.

4 Corporate Considerations

4.1 Consultation and Engagement

The following officers/departments were consulted during the process;

- Civic Enterprise Leeds: Business Manager.
- Learning & Leisure: Principal Service Development Officer, Sport & active Recreation.
- Civic Enterprise Leeds: Civic Buildings Manager, Facilities Management.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no implications for equality and diversion.

4.3 Council policies and City Priorities

4.3.1 The contract will help support the services that keep the civic buildings, workplaces and leisure centres clean and hygienic for both staff and customers.

4.3.2 The contract specifically delivers the Council's priorities on valuing colleagues and putting customers first, by creating and maintaining a clean and hygienic environment in which to work and enjoy Council services.

4.4 Resources and value for money

4.4.1 Property Maintenance Cleaning has shown that they have made a 10% saving on their budgets for cleaning materials over the lifetime of the contract.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Contract Procedure Rule 21.1, allows the contract to be extended before its expiry date where it is in accordance with its terms and has proved to deliver best value for money.

4.5.2 The scheme being in excess of £250,000 per annum is eligible for call-in.

4.5.3 This decision was recorded in June on the notification of key decisions.

4.6 Risk Management

4.6.1 The contract will be continued to be managed and monitored regularly to ensure the benefits of the services are maximised and the supplier's performance will be measured for the remainder of the contract.

5 Conclusions

5.1 The framework contract put in place by Bradford Council offers excellent value for money and a compliant contract for the provision of cleaning materials, equipment and chemicals.

5.2 The approval to utilise the contract would enable continuity of service provision by the client departments.

5.3 The option to extend the framework is the best option for Leeds in terms of value for money, service continuity and will provide enough time to retender the contract through a joint procurement exercise with Bradford Council.

6 Recommendations

- 6.1 The Chief Officer for Civic Enterprise Leeds is recommended to agree that Leeds City Council's Property Maintenance can continue to use Bradford Council's Cleaning Materials, Equipment and Chemicals Contract for a further year through the provision of an extension in accordance with Contract Procedure Rule 21.1

7 Background documents¹

- 7.1 Appendix 1 – Waiver Report for Supply of Cleaning Materials, Equipment and Chemicals.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.