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Report of Strategic Category Manager**Report to Chief Procurement Officer****Date: August 2011****Subject: Supply of Cleaning Materials, Equipment and Chemicals**

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

1. This report is to seek approval for the extension of the use of the supply of cleaning materials, equipment and chemicals framework contract that has been set up by Bradford Council.
2. The contract helps to support the PM Cleaning services that keep the civic buildings, workplaces and leisure centres clean and hygienic for both staff and customers.
3. Pricing acquired via an e-auction is very competitive and will produce savings.

Recommendations

4. the invocation of Contract Procurement Rule 8.5 for the use of the framework contract set up by Bradford Council for the supply of cleaning materials, equipment and chemicals.
5. agree that Trevor Iles Limited be used as primary supplier when ordering cleaning materials, equipment and chemicals unless they do not have the capacity to meet that order, in which case the second placed bidder, Greenham will be used. Where the second placed bidder do not have the capacity to meet that order, the third placed bidder, Zenith Hygiene Systems Limited will be used.

1 Purpose of this report

- 1.1 This report is to seek approval for the use 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 its civic buildings and offices.
- 2.3 The current 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 would have been extremely tight to ensure that a new contract was in place prior to the expiry of the waiver period.
- 2.4 Procurement Unit Officers worked with the client departments to confirm the specification, confirm and the product list, and assess the procurement options.
- 2.5 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 is therefore subject to the European Procurement Regulations and must comply with the full requirement of the Regulations.

3 Main issues

- 3.1 The options open to Leeds City Council are to continue with the current contract, run a full OJEU compliant tender or access an existing framework contract.
- 3.2 The current contract is a framework of four organisations each of whom can be utilised, at the choice of the orderer, with no control over the best price for a particular product. Although the contract offers flexibility, the fragmented approach cannot guarantee value for money.
- 3.3 To run a full OJEU procurement process would be a true test of the marketplace, but would be resource intensive in officer time and lengthy in timeline.
- 3.4 Bradford Council have put in place a framework contract for the supply of cleaning materials, equipment and chemicals, which has been priced via an e-auction. This was carried out in 2011 so the pricing is reflective of the current market pricing position.
- 3.5 The framework contract awarded by Bradford Council is fully compliant with the OJEU Regulations. The relevant clause was inserted within the notice to ensure that other authorities could join the framework if required.
- 3.6 The use of the framework would negate Leeds City Council having to carry out a full EU procurement exercise. This would enable Leeds City Council to cut down the timescale for tendering and there would be a cost and resource saving. It also complies with the collaboration agenda and our social responsibility having a

range of sustainable products within the catalogues. This would allow the provision of supplies without disruption to the service provision.

- 3.7 The framework awarded by Bradford Council was tendered by 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 who passed the quality evaluations, which reduced prices to a very competitive level.
- 3.8 Through the e-auction no one organisation were the most competitive across all lines and items. A shopping basket approach (see appendix 1) was taken to establish overall value for money.
- 3.9 Savings achieved through the framework would be as follows;
- 3.9.1 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.
- 3.9.2 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.
- 3.9.3 This equates to a saving of around 12.5% across the whole range of supplies of cleaning materials, equipment and chemicals.
- 3.10 Based on current spend, an estimated £80,500 per year can potentially be saved by utilising the framework contract.
- 3.11 The contract has been 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.
- 3.12 The terms of the contract have also been approved by our Legal team.
- 3.13 The three organisations on the framework are;
- Greenham
 - Trevor Iles Limited
 - Zenith Hygiene Systems Limited
- 3.14 The analysis of the pricing set against the number of items ordered (Appendix 1) reflects in Trevor Iles being the preferred provider, with Greenham (second) Zenith Hygiene (third) as the reserve suppliers.

3.15 Each of the suppliers have confirmed their capacity to provide the service to Leeds City Council within all existing arrangements and obligations.

4 Corporate Considerations

4.1 Consultation and Engagement

The following officers/departments were consulted during the process;

- Resources : Business manager, Commercial Services.
- Learning & Leisure : Principal Service Development Officer, Sport & active Recreation.
- Resources : 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 hygienic environment in which to work and enjoy Council services.

4.4 Resources and value for money

4.4.1 Based on a shopping basket of identified products (see appendix 1), an estimated £80,500 per year can potentially be saved by utilising the framework contract.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The invoking of CPR 8.5 to utilise of a non approved framework is in line with the Contract Procedure Rules and Code of Practice for Contract Procedure Rules.

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

4.5.3 This scheme was identified for the April Forward Plan.

4.6 Risk Management

4.6.1 The contract will be managed and monitored regularly to ensure the benefits of the services are maximised and the contractors' performance will be measured over the life 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. An estimated £80,500 per year could be saved based on current usage figures.

- 5.2 The approval to utilise the contract would enable continuity of service provision by the client departments.
- 5.3 The option to utilise the framework is the best option for Leeds in terms of value for money, in terms of efficiency and economy.

6 Recommendations

- 6.1 The Chief Officer of the Private Public Partnerships Unit & Procurement is recommended to approve;
- 6.2 The invocation of Contract Procurement Rule 8.5 for the use of the framework contract set up by Bradford Council for the supply of cleaning materials, equipment and chemicals.
- 6.3 Agree that Trevor Iles Limited be used as primary supplier when ordering cleaning materials, equipment and chemicals unless they do not have the capacity to meet that order, in which case the second placed bidder, Greenham will be used. Where the second placed bidder do not have the capacity to meet that order, the third placed bidder, Zenith Hygiene Systems Limited will be used.

7 Background documents¹

- 7.1 Appendix 1 – Tender Pricing Matrix

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.