

Report of: Head of Property Services

Report to: Chief Officer, Civic Enterprise Leeds

Date: 1st May 2015

Subject: To seek Approve for a Procurement Exercise to put in place a Leeds City Council Cleaning Materials, Equipment and Supplies Framework 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: Appendix number: 10.4 (3) Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Civic Enterprise Leeds (CEL) Cleaning is Leeds City Council's (LCC) Internal Service Provider (ISP) for the provision of all types of cleaning services to over 800 buildings throughout the city. CEL Cleaning turns over approximately £11m pa providing a fully comprehensive cleaning service to LCC's clients and external organisations such as West Yorkshire Fire Services.
2. In supporting the services CEL Cleaning provide they presently utilise Bradford City Council's (BCC) Framework Contract for cleaning materials, equipment and washroom supplies. This contract ends on the 31st July 2015.
3. The BCC Contract has nearly reached its maximum contracted duration including extensions so the need to tender for this provision has arisen.
4. BCC is presenting reviewing its strategy for sourcing their cleaning materials and therefore Leeds City Council has decided to carry out their own procurement exercise.
5. It is planned to procure a new cleaning material contract, consisting of 3 years duration with the option to extend for a further 1 x 12 month periods, to start 1st September 2016.
6. This report seeks the authority from the Chief Officer of Civic Enterprise Leeds for CEL Cleaning to carry out the afore mentioned procurement exercise to establish a LCC framework contract for the provision of Cleaning Materials, Equipment and Supplies.

7. The report also seeks to approve the tender evaluation methodology mentioned in this report and the weighting score of 80% price and 20% quality split.
8. The decision to seek authority to carry out this procurement exercise is a Key Decision and therefore shall go for call in.

Recommendations

The Chief Officer of CEL is recommended to approve a procurement exercise to put in place a Leeds City Council Cleaning Materials, Equipment and Supplies framework contract. The contract when awarded will be for a period of 3 years with the option to extend a further 1 x 12 month periods from 1st September 2015 to 31st August 2018.

The Chief Officer of CEL is recommended to approve the tender evaluation methodology mentioned in this report and that the evaluation scoring will have a weighting of 80% price and 20% quality.

1 Purpose of this report

- 1.1 The purpose of this report is to seek authority for CEL Cleaning to conduct a procurement exercise to put in place a framework contract for the supply of cleaning materials, equipment and supplies. The contract will be for a three year period starting from the 1st September 2015 with an option to extend for 1 x 12 month periods. It is anticipated that the overall annual value of the contract will be in the region of £900k.
- 1.2 It is also the purpose of this report to approve the tender evaluation methodology mentioned in this report and the weighting score of 80% price and 20% quality split.

2 Background information

- 2.1 Civic Enterprise Leeds (CEL) Cleaning is Leeds City Council's (LCC) Internal Service Provider (ISP) for the provision of all types of cleaning services to over 800 buildings throughout the city. CEL Cleaning turns over approximately £11m pa providing a fully comprehensive cleanings to LCC's clients and external organisations such as West Yorkshire Fire Services.
- 2.2 It was decided in July 2013 for LCC to use Bradford City Council's (BCC) Framework for the supply of cleaning materials, equipment and supplies as a replacement to the existing cleaning materials supply arrangements that were in place at that time.

In June 2013 the existing LCC Cleaning supply contract was nearing the end of its term and BCC's framework contract specifications was consistent with the requirements of that contract and consisted of the same suppliers.

- 2.3 The contract was for three years with a provision to extend for a further 12 months and commenced on the 1st August 2011. It has proved to be very competitive for the acquisition of cleaning materials and has produced saving on Civic Enterprise Leeds Cleaning materials budgets.
- 2.4 A number of other LCC Directorates use this contract for the purchasing of cleaning materials, including Adult Social Care, Children Services, City Development, Environment and Housing and also Schools throughout Leeds.
- 2.5 The primary LCC user of this contract is CEL Cleaning. The contract helps support the cleaning services that need to be provided to ensure a clean and hygienic environment within Civic Buildings, Housing's residential communal area, Leisure Centres and LCC offices and work areas throughout the city.
- 2.6 The annual value of the cleaning supplies LCC's purchases through this contract is in the region of £900k per annum with CEL Cleaning being the major purchaser at approximately £700k per annum.
- 2.7 In June 2014, approval was given to exercise the 12 month extension option which meant the contract would end on the 31st July 2015. It was anticipated that this would provide time to retender the contract through a joint exercise with BCC.

- 2.8 BCC are undecided regarding their options for sourcing their cleaning materials and therefore Leeds City Council has decided to carry out their own procurement exercise.
- 2.9 This will offer the opportunity to analyse costs and prove best value whilst providing the opportunity to procure specifically for LCC's own requirements and contract specification.

3 Main issues

- 3.1 CEL Cleaning and LCC Directorates require a supplier contract for the purchasing of cleaning materials, equipment and supplies to the value of £750k per annum.
- 3.2 Over the years there have been continuous contracts in place for the provision of cleaning supplies and the last LCC contract expired at the end of June 2013 when it was approved to utilise Bradford City Council existing Cleaning framework contract.
- 3.3 The Bradford City Council framework contract expires at the end of July 2015 and it has been decided that CEL Cleaning will procure a LCC cleaning materials contract.
- 3.4 This contract will provide the cleaning materials, equipment and supplies that are needed to assist CEL Cleaning in providing comprehensive cleaning services to LCC Directorate clients and external clients such as West Yorkshire Fire Services.
- 3.5 Other Leeds City Council Directorates which includes Adult Social Care, Children Services, City Development, Environment and Housing and also Schools throughout Leeds may also use this contract for the purchasing of cleaning materials.
- 3.6 The contract will be for three years with the option to extend for a further 1 x 12 months and it is intended that the contract will start on the 1st September 2015.
- 3.7 Due to the fact that the framework will be a supplier contract it is intended that the procurement exercise will utilise the 'open route' tendering procedure. This means that the PQQ and tender documents will be issued simultaneously and interested suppliers will complete a single submission of all relevant procurement documentation to bid for this contract.
- 3.8 The contract will be subject to European Procurement Regulations due to the value which is estimated at £900k per annum, based on previous year's spending.
- 3.9 To comply with the Regulations the contract will be advertised in the EU journal in accordance with the relevant EU legislation for the mandatory 30 days and will also be advertised on the Council's Electronic Tendering System (Yortender).
- 3.10 The utilising of the 'open route' tender procedure will entail the evaluation of a pre-qualification questionnaire (PQQ) which has been designed to determine whether suppliers have the relevant experience, capacity, infrastructure and

suitability to be an integral part of LCC's supply chain for the provision of cleaning materials, equipment and supplies.

- 3.11 The PQQ evaluation process will identify the most suitable suppliers and this will not be restricted to short listing.
- 3.12 The next stage will consist of the evaluation the supplier's submission of a quality questionnaire and the cleaning materials and equipment pricing schedules. These pricing schedules will be split in to three 'Lots' covering Paper and Hygiene Supplies, Cleaning Materials & Chemicals and lastly Cleaning Equipment. It is the intention that the tender evaluation will be based on 80% price and 20% quality split.
- 3.13 The pricing documents will consist of a 'shopping basket' of the most commonly used items in each of the 'Lots' cleaning materials and equipment and all bidding suppliers will be required to submitted their price for each item within the relevant 'Lots' applied for. There will also be a requirement for all bidders to supply their percentage reduction on manufacturer's recommended retails/list price and for cleaning products and equipment that are less frequently used within each Lot or items that maybe required in the future. The evaluation of the pricing documents will carry 80% of the overall score.
- 3.14 The quality questionnaire will consist of a number of questions that will identify those suppliers who have the experience and capacity of meeting the specification of such a contract. This will include providing their experience and evidence of timely deliveries to numerous sites throughout a large geographical area and evident that they can meet the contract specification. . There will be two elimination questions regarding prospective suppliers having a fully operational electronic ordering system and also can provide cleaning materials within strict specified timescales in the case of emergencies. The evaluation of the quality questionnaire will carry 20% of the overall score.
- 3.15 The tender evaluation of the submissions will identify the highest scoring suppliers who will be then ranked on a framework contract in order of the overall results achieved.
- 3.16 All orders for cleaning materials required through the framework contract will be issued to the supplier who has the highest score from the tender evaluation score which will be based on quality and price. If the highest ranked supplier cannot provide or deliver the required supplies then the second ranked supplier will be engaged and where necessary this process will be applied down the list of ranked suppliers. Provision within the contract will also allow for mini-tenders for the supply of any cleaning products and cleaning equipment should a competitive fixed price not be available through the 'shopping basket' pricing schedule.

4 Corporate Considerations

- 4.0.1 It is anticipated the contracts, once awarded, will be fully compliant, offering value for money and will provide the following benefits:
- Support for the local economy through encouragement of SME's suppliers in the procurement process and within the awarded contract.

- The outcomes will contribute towards the quality of living within Leeds in that it will ensure the provision of CEL Cleanings services within all LCC buildings. .
- Provide a consistency of services provision which is paramount to maintaining CEL Cleaning service delivery.

4.1 Consultation and Engagement

- 4.1.1 Discussions have been held with Bradford Council's procurement section and it has become apparent that they have not made a decision on a way forward on how they are going to procure cleaning materials post contract. This puts LCC at risk of not having an appropriate contract in place for the provision of cleaning materials and equipment.
- 4.1.2 LCC's PPPU have consulted with BCC regarding the intention of carrying out a procurement exercise to development a new contract for the supply of cleaning materials, equipment and supplies that will be for the exclusive use of Leeds City Council.
- 4.1.3 The decision to re-tender the contract has been discussed with both PPPU and other areas of the Council who buy from the existing framework and the current contract provider.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality, diversity and cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific group or individuals.

4.3 Council policies and City Priorities

- 4.3.1 The services provided under this report will contribute to the Council's business plan through spending money wisely and any saving realised through the tender exercise.
- 4.3.2 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such this proposed procurement exercise will be carried out in line with Leeds City Council's policies and procedures.

4.4 Resources and value for money

- 4.4.1 The contract is to be re-tendered to enable market testing to take place and ensure best value is achieved.

4.5 Legal Implications, Access to Information and Call In

- 4.4.1 Contract Procedures allows the contract to be re-tendered before its expiry date July 31st 2015.

4.6 Risk Management

- 4.6.1 Not carrying out a contract renewal would exclude LCC from testing the current market and would mean there would be off contract spend in this area.
- 4.6.2 Once procured the Cleaning Framework contract will ensure that a suitable supply chain is place in place for CEL Cleaning to effectively deliver their services and comply with their SLA's and contractual requirements they have with all LCC and external clients.

5 Conclusions

- 5.1 A full re-tender exercise to should be undertaken for the supply of cleaning materials, equipment and services.

6 Recommendations

- 6.1 The Chief Officer CEL is recommended to approve the new tender process for supply of cleaning materials, equipment and supplies for a period of 3 years with the option to extend a further 1 x 12 month periods from September 1st 2015 to 31st August 2018.
- 6.2 The Chief Officer of CEL is recommended to approve the tender evaluation methodology mentioned in this report and the weighting score of 80% price and 20% quality split.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

