

Report of: Head of Property Services

Report to: Chief Officer, Civic Enterprise Leeds

Date: 25th January 2016

Subject: To seek Approval to Award a Cleaning Materials, Equipment and Supplies Framework Contract.

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number: 10.4 (3) Appendix number: II and III Appendices II and III to this report has been amended to exempt details under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial affairs of the authority which, if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption		

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 comprehensives cleaning service to LCC's clients and external organisations such as West Yorkshire Fire Services.
2. In supporting the services CEL Cleaning provide they utilise Bradford City Council's (BCC) Framework Contract for cleaning materials, equipment and washroom supplies.
3. The BCC Contract had reached its maximum contracted duration and so there was a need to tender for this provision.
4. Approval was granted in May 2015 (Appendix I) to carry out a procurement exercise to put in place a new cleaning material contract, consisting of two years duration with the option to extend for a further 2 x 12 month period.
5. This procurement exercise has now been completed and therefore this report seeks the authority from the Chief Officer of Civic Enterprise Leeds for CEL Cleaning to

award a LCC framework contract for the provision of Cleaning Materials, Equipment and Supplies.

6. This Framework contract is valued at approximately £900k per annum and the contract is to be awarded on an 80/20 price quality split. The contract will start in February 2016 for duration of two years with an option to extend for a further 2 x 12 months.
7. The decision to seek authority to award this Cleaning Framework Contract is a Significant Operational Decision as this report is a consequence of a previous Key Decision and therefore this will not be subject to call in.

Recommendations

The Chief Officer of CEL is recommended to approve the award Leeds City Council Cleaning Materials, Equipment and Supplies framework contract to the suppliers detailed in Appendix II. The contract when awarded will be for a period of two years with the option to extend for a further 2 x 12 month periods and will start in February 2016.

1 Purpose of this report

- 1.1 To seek approval for CEL Cleaning to award a framework contract for the supply of cleaning materials, equipment and supplies. The contract will be for a two year period starting from February 2016 with an option to extend for 2 x 12 month periods. It is anticipated that the overall annual value of the contract will be in the region of £900k.

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 The BCC Contract had reached its maximum contracted duration and so there was a need to tender for this provision.
- 2.8 Approval was granted in May 2015 (Appendix I) to carry out a procurement exercise to put in place a new cleaning material contract, consisting of two years duration with the option to extend for a further 2 x 12 month period.

- 2.9 The procurement exercise offered 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 In May 2015 the Authority to Procure was approved for CEL Cleaning to procure a framework contract for the supply of cleaning materials, equipment and supplies.
- 3.2 The tender process commenced in July 2015, with the establishment of a project team. The project team comprised of representatives from Civic Enterprise Leeds Cleaning and PPPU.
- 3.3 The scheme was advertised on the council's electronic tendering system, YORtender and also in EU journal in accordance with the relevant EU legislation.
- 3.4 The framework contract was developed to consist of two distinct material 'Lots' that cover the majority of materials and supplies that are required by CEL Cleaning and in order to encourage the supply services of large, medium and small size companies for this contract. The material elements were split into distinct 'Lots' covering the following categories:-
- Lot 1:- Cleaning Supplies and Materials, and
- Lot 2:- Paper & Hygiene Goods and Supplies.
- 3.5 The quality questionnaire consisted of a number of questions that would identify those suppliers who have the experience and capacity of meeting the specification of this contract. It included 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 were two elimination questions regarding prospective suppliers having a fully operational electronic ordering system and also providing cleaning materials within a strict specified timescales in the case of emergencies. The evaluation of the quality questionnaire carried 20% of the overall score.
- 3.6 The pricing documents consisted of a 'shopping basket' of the most commonly used items in each of the 'Lots' cleaning materials and equipment and all bidding suppliers were required to submitted their price for each item within the relevant 'Lots' applied for. There was also 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 carried 80% of the overall score.
- 3.7 The procurement was undertaken utilising the open procedure. This entails the issue of a pre-qualification questionnaire (PQQ) which determines whether organisations have a track record in delivering the range and scope of services as required by the contracting authority and a series of bid documents consisting of quality questionnaire and pricing schedules for each of the material 'Lots', that require organisations to submit proposals for cleaning material supplies to Leeds City Council.

- 3.8 The tender documents for the procurement exercise have been designed to include as many suppliers as possible on a framework contract. The framework contract will rank the suppliers in order of their aggregated score achieved from the evaluation on price and quality submission.
- 3.9 The project team firstly evaluated the technical section of each supplier's PQQ submission whilst the Procurement Unit carried out vetting and eligibility checks.
- 3.10 The project team were issued with the quality method statements submitted by each bidder in support of their proposals to undertake the services. They were also issued with the evaluation model to be utilised in respect of the review of the method statements.
- 3.11 The bids were then assessed by the individual members of the project team.
- 3.12 The outcome of the quality evaluations showed that fifteen material suppliers submitted bids and seven met the quality criteria and were successful with their bids.
- 3.13 After the pricing evaluation was completed one bidder withdrew their submission when challenged on the sustainability of their prices submitted within their pricing documents.
- 3.14 The scores from both the quality and the pricing evaluations of the procurement exercise for Lot 1 and Lot 2 showed that the following suppliers were successful and ranked in the following order:-

Lot 1:- Cleaning Supplies and Materials. (Appendix II)

1. Trevor Iles Ltd.
2. Alliance Ltd.
3. Nexon Group.
4. Lyreco UK Ltd
5. Parc Supplies Ltd

Lot 2:- Paper & Hygiene Goods and Supplies. (Appendix III)

1. Trevor Iles Ltd
2. Alliance Disposals Ltd
3. Lyreco UK Ltd
4. Parc Supplies Ltd
5. Nexon Group
6. Rexel UK Ltd (Parker Merchanting)

- 3.15 In line with the bid documents issued and the evaluation undertaken it is recommended to award Lot 1:- Cleaning Supplies and Materials to the following organisations.

1. Trevor Iles Ltd.
2. Alliance Ltd.
3. Nexon Group.
4. Lyreco UK Ltd
5. Parc Supplies Ltd

3.16 In line with the bid documents issued and the evaluation undertaken it is recommended to award Lot 2:- Paper & Hygiene Goods and Supplies to the following organisations.

1. Trevor Iles Ltd
2. Alliance Disposals Ltd
3. Lyreco UK Ltd
4. Parc Supplies Ltd
5. Nexon Group
6. Rexel UK Ltd (Parker Merchanting)

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 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 The proposals within this report will contribute to the continued delivery of an effective cleaning service for Leeds City Council.

4.3.3 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such this procurement exercise has been carried out in line with Leeds City Council's policies and procedures.

4.4 Resources and value for money

- 4.4.1 This procurement exercise has been designed to not only bench mark and market test value for money for the provision of our supplies within the supply chain but also to provide opportunities for SME's within this sector.

4.5 Legal Implications, Access to Information and Call In

- 4.4.1 This tender opportunity was advertised on the council's YORtender system and The European Journal for European Union as required by the European Regulations.
- 4.4.2 The decision to award this contract is a Significant Operational Decision as this decision is a consequence of a previous Key Decision and therefore this will not be subject to call in.

4.6 Risk Management

- 4.6.1 Not awarding this framework contract would mean there would be off contract spend in this area.
- 4.6.2 This 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.

5.0 Conclusions

- 5.1 CEL Cleaning in providing its services to other Leeds City Council departments and external clients relies on this cleaning material framework contract to ensure its supply chain supports the services it needs to provide.
- 5.2 The tendering process has been completed for the provision of a new framework contract for cleaning material supplies and six suppliers have been deemed to be suitable to provide this service following the quality evaluation which is detailed in this report.

6. Recommendations

- 6.1 The Chief Officer CEL is recommended to approve the award for a framework contract for the supply of cleaning materials, equipment and supplies for a period of 2 years with the option to extend a further 2 x 12 month periods starting in February 2016 until January 2018.

7 Background documents¹

- 7.1 Appendix I - DDN and Authority to Procure Report
- 7.2 Appendix II – Result of bid for Lot 1:- Cleaning Supplies and Materials.
- 7.3 Appendix III – Results of bid for Lot 2:- Paper & Hygiene Goods and Supplies

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.