

Report of Environmental Health Manager

Report to Director of Environment and Housing

Date: 10th May 2016

Subject: Request for the award of a Domestic Pest Control 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

The Environmental Action Service wish to award a contract for the provision of a Domestic Pest Control Service as set out in this report.

The current contract expires on the 31st May 2016.

A procurement exercise including a competitive tender process has been undertaken in compliance with corporate policy.

The tender process has identified Mitie Pest Control Limited as the preferred bidder. The contract is for 2 years with an option to extend for a further two 12 month periods.

The contract is structured on a payment per job basis. The annual cost of the contract is estimated to be £187,518.72.

Recommendations

That the Director of Environment and Housing approve the award of the Domestic Pest Control Service Contract to Mitie Pest Control Limited.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval for the Environmental Action Service to award the contract for the provision of a Domestic Pest Control Service to Mitie Pest Control Limited.

2 Background information

- 2.1 Existing contracts for this service end on the 31st May 2016.
- 2.2 The tender was advertised on the Eastern Shires Purchasing Organisation (ESPO) Tendering Framework. All companies likely to bid for the Leeds contract are included on the current ESPO arrangement. The use of ESPO is supported by the Procurement Unit. All tenders were evaluated on price and quality by an evaluation panel.
- 2.3 Mitie Pest Control Limited are the only company to tender for the contract. Three other companies initially expressed an interest in the contract but did not submit tenders.
- 2.4 The Council provides domestic pest control services for various pests. The administration of the service is carried out internally but the actual pest control work itself is outsourced to a contractor. The Council charges customers directly and pays the contractor their agreed fee per job. The exception to this is the treatment of rats inside owner occupied dwellings. The Council does not charge for this service but does pay the contractor.
- 2.5 The table in Appendix 1. shows the Council charges and contractor fees by each job type for 2016/17.
- 2.6 The Council currently has three directly employed pest control operatives and they are fully employed on commercial contracts which generate further income. There is no spare capacity to carry out domestic work.
- 2.7 The annual cost of the contract to the Council is estimated to be in the region of £187,518.72. As the contract is a pay per job contract the estimate is produced by using the numbers of pest control jobs by type received in 2015/16 and the new charges per job proposed by Mitie Pest Control Limited. The table in Appendix 2. shows the estimated annual fees per pest type paid to Mitie by the Council and also the estimated charges made by the Council to customers.
- 2.8 It is estimated that there will be an annual shortfall to the Council of £13,246.55.

3 Main Considerations and Reasons for Contract Award

- 3.1 The current domestic pest control contract is operated by Mitie Pest Control Limited. Throughout the 2 year contract period they have provided good service in compliance with all contractual obligations.
- 3.2 Although it is not statutory, the Council maintains a domestic pest control service for reasons of public health. The Pest Control Service receives approximately 4,000 requests for service from domestic customers per year.

- 3.3 It should be noted that requests for service for pest control can fluctuate considerably from one year to the next with weather conditions being the main variable. As a general rule a prolonged period of warm weather means more pests, whereas colder weather (especially early frosts) leads to fewer pests. Variations of 40% in job numbers from one year to the next have been recorded. A pay per job contract rather than a set value contract as was previously used ensures value for money is maintained should job numbers fluctuate.
- 3.4 The offer of a free service to treat for rats inside owner occupied properties costs the Council approximately £45,000 per year.

Corporate Considerations

1.1 Consultation and Engagement

- 4.1 No consultation has taken place with key stakeholders as to whether the contract should be awarded to the winning bidder or not as this is determined by the evaluation of the tender received. However, consultation with key stakeholders was undertaken when the particular procurement route was chosen.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality impact assessment was carried out as part of the DDN report required to undertake the procurement exercise. As pest problems tend to be disproportionately found in low income areas this contract should contribute towards improving equality.

4.3 Council Policies and Best Council Plan

- 4.3.1 The provision of a Domestic Pest Control Contract supports the key Best Council outcome to “improve the quality of life for our residents, particularly for those that are vulnerable or in poverty”.

4.4 Resources and Value for Money

- 4.4.1 The annual cost of the contract to the Council is estimated to be £187,518.72. The amount of charges received by the Council for the service is estimated to be £174,272.17.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The procurement process was undertaken in compliance with Projects, Programmes and Procurement Unit procedures.
- 4.5.2 The decision is not subject to call in.

4.6 Risk Management

- 4.6.1 The use of a pay per job contract rather than a set value contract as was previously used ensures value for money is maintained should job numbers fluctuate.

Conclusions

The award of the contract to Mitie Pest Control Limited represents best value for money and allows for the provision of a Domestic Pest Control Service to continue.

Recommendations

- 1.1 The Director of Environment and Housing is recommended to approve the award of the Domestic Pest Control Contract to Mitie Pest Control Limited.