

Report of: Head of Service

Report to: Chief Officer Civic Enterprise Leeds

Date: 2nd November 2018

Subject: Approval to Award a Contract for the Supply of Washroom Services

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: Appendix 1 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.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The existing contract for the supply of washroom services expires on the 30th November 2018 with no opportunity to extend.
2. Authority to procure and use the ESPO Framework 239_16 Contract for the provision of Washroom Services was approved by a delegated decision on 16th January 2018.
3. The purpose of this report is to seek approval to award an ESPO Framework 239_16 Contract for the supply of Washroom Services to Personnel Hygiene Services Limited.

Recommendations

The Chief Officer of Civic Enterprise Leeds is recommended to approve the award of an ESPO Framework 239_16 Contract for Washroom Services to Personnel Hygiene Services Limited which will be effective from 1st December 2018. The contract will be for 3 years with an option to extend by an additional 12 months and will have an annual value of approximately £127k.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Chief Officer of Civic Enterprise Leeds to award of an ESPO Framework 239_16 Contract for the provision of Washroom Services to PHS Group Ltd. The contract will be effective from 1st December 2018 for a period of 3 years and will have an annual value of approximately £127k.

2 Background Information

- 2.1 Leeds City Council (LCC), has a requirement to provide sanitary services as part of its welfare provision within its Civic Buildings, Offices, Schools, One Stop Shops and Sports Facilities.
- 2.2 The current contract with Personnel Hygiene Services Ltd (PHS Group Ltd) is due to expire at the end of November 2018.
- 2.3 The authority to procure and use the ESPO Framework 239_16 Contract for the provision of Washroom Services was approved by a delegated decision on 16th January 2018.
- 2.4 The ESPO Framework 239_16 framework contract has been procured by Eastern Shires Purchasing Organisation (ESPO) who are a public sector owned professional buying organisation. It has been advertised in the official journal of European Union (OJEU).
- 2.5 A mini tender procedure was undertaken August 2018 using the ESPO Framework 239_16 contract for the provision of Washroom Services. The details were advertised on Yortender and Rentokil Initial and Personnel Hygiene Services Ltd who are both on the frame-work expressed an interest and the tender documents were issued to them.
- 2.6 The Washroom Services contract consisted of three Lots as follows:
- Lot 1. Sanitary and Nappy bins
 - Lot 2. Air Fresheners and Fragrances

- Lot 3. Roller Towels and hand Dryers.

Bidders were asked to bid for all Lots so that one supplier would provide all three Lots.

- 2.7 Tender returns were submitted by both Rentokil Initial and Personnel Hygiene Services Ltd by the close of the tender period on 12th September 2018.
- 2.8 Both bidders were asked to complete a quality submission which included a pass or fail question on contract mobilisation plans. Plans submitted by both companies were accepted as achieving a pass rating.
- 2.9 Both companies were also supplied with a full asset list detailing all current washroom provisions to LCC's buildings, which they were asked to provide costs for the service delivery. This pricing document and the quality submission formed the information that was evaluated for the award of the contract.
- 2.10 Officers from Procurement & Commercial Services and Civic Enterprise Leeds were involved in the evaluation which closed 12th October 2018.

3 Main considerations and reasons for contract award

- 3.1 The tender was evaluated on a quality and cost model with a split of 70% cost and 30% quality. The quality section had a weighting of criteria score of 300.
- 3.2 Having evaluated both the tenders the submission, Personnel Hygiene Services Limited Group scored the highest on quality with a score of 247 points out of 300 and were also the lowest on price which is detailed in Appendix I.
- 3.3 This price represents a 4.4% saving on the current arrangement for the service
- 3.4 The result of the tender exercise also showed that PHS Group Ltd submission on price was 19% more competitive than the submission by Rentokil Initial.

Consequences if the proposed action is not approved

- 3.5 The collection and disposal of sanitary waste is a statutory service and should this recommendation to award the contract to PHS not be approved or is delayed it could present serious public health and reputation risk to the council.

4 Corporate considerations

4.1 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

1.1.1 The collection and disposal of sanitary waste ensures that the provision of welfare facilities is available for LCC staff and members of the public who use council buildings. The service is designed to be truly flexible to ensure that the very diverse nature of services and service users are met at all times.

4.3 Council policies and best council plan

1.1.2 The contract specifically delivers the council's priorities on valuing colleagues and putting customers first, by creating and maintaining a clean hygienic environment. The procurement exercise also meets LCC requirements for spending money wisely by testing the market with a competitive tender for the delivery of washroom services.

4.4 Resources and value for money

1.1.3 This procurement exercise of the Washroom Service realised a 4.4% saving on the contract value of the existing arrangements and also showed that having market tested against a similar supplier PHS Group Ltd were 19% more competitive.

4.5 Legal implications, access to information and call-in

4.5.1 The award of the contract is a significant operational decision therefore it is not subject to call in.

4.6 Risk management

1.1.4 The collection and disposal of sanitary waste is a statutory service and the award of this contract will ensure that compliant welfare facilities are available in all LCC buildings.

5 Conclusions

5.1 As a result of the mini tender exercise the submission by PHS Group Ltd received the highest quality rating whilst being the most competitive. The company already deliver these services and therefore have a proven track record that they are equipped to deliver this contract for Leeds City Council.

6 Recommendations

6.1 The Chief Officer of Civic Enterprise Leeds is recommended to approve the award of an ESPO Framework 239_16 Contract for Washroom Services to Personnel Hygiene Services Limited which will be effective from 1st December 2018. The contract will be for 3 years with an option to extend by an additional 12 months and will have an annual value of approximately £127k.

7 Background documents¹

7.1 Appendix I – Evaluation Results

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.