

Report of Chief Officer Civic Enterprise Leeds

Report to Director of Resources and Housing

Date: 7th February 2020

Subject: To seek approval to award a Cleaning Materials, Equipment and Framework contract.

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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: 10.4 (3)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- Civic Enterprise Leeds (CEL) cleaning services 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 Services turns over approximately £15m pa providing a fully comprehensive cleaning service to LCC's clients and external organisations.
- In supporting the services CEL Cleaning had procured a Framework contract in 2015. This contract had reached its maximum contracted duration an authority to procure report for a new contract was approved in November 2019.
- Approval was given to carry out a procurement exercise to put in place a new cleaning material contract, consisting of 2 years duration with the option to extend for a further 2 x12 month period.
- This procurement exercise has now been completed and therefore this report seeks approval from the Director of Resources and Housing for cleaning services to award a LCC framework contract for the provision of cleaning materials, equipment and supplies.
- This framework contract is valued at approximately £900k per annum and the contract is to be awarded on 70/30 price quality split. The contract will start in February 2020 for a duration of two years with an option to extend for a further 2 x 12 months.

- The decision to seek authority to award this cleaning framework contract is a significant operation decision as this report is a consequence of a previous key decision and therefore this will not be subject to call in.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- By ensuring a compliant contract is in place, services provided by Leeds City Council will continue to offer safe provision of service which impact on a number of areas used by a full cross section of Leeds residents and that it's delivered with best value for money.

3. Resource Implications

- Sufficient resources are in place within CEL to effectively contract manage this framework.

Recommendations

- a) The Director of Resources and Housing is recommended to approve the commencement of the Framework Contract for the supply of cleaning materials, equipment and washroom goods from the 15th February 2020 for a period of 2 years with 2 x 12 months options to extend. The value of which is £1.8m for the duration.

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 2020 with an option to extend for 2 x 12 month periods. It is estimated that the overall annual value of the contract will be in the region of £900k per annum.

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 £15m pa providing a fully comprehensive cleaning function to LCC's clients and external organisations such as West Yorkshire Fire Services.
- 2.2 CEL had an effective framework contract in place with 6 suppliers on it. This contract was for 2 years with the provision to extend for 1 year x 2 years and commenced from Feb 2016. It has proved to be very competitive for the acquisition of cleaning materials and has produced savings on Civic Enterprise Leeds Cleaning material budgets.
- 2.3 A number of other LCC Directorates use this contract for the purchasing of cleaning materials including Adult Social Care, Children's Services, City Development, Resources and Housing and also Schools throughout Leeds.
- 2.4 The primary LCC user of this contract is CEL Cleaning. The contract helps support cleaning services that need to be provided to ensure a clean and hygienic

environment within Civic Buildings, residential communal areas, Leisure Centres and LCC offices and work throughout the city.

- 2.5 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.
- 2.6 The Framework Contract had reached its maximum contracted duration and so there was a need to tender for this provision.
- 2.7 Approval was granted in November 2019 (Appendix 1) 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.
- 2.8 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 November 2019 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 November 2019, 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 the EU journal in accordance with the relevant EU legislation.
- 3.4 The framework contract was previously 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

Lot 1:- Cleaning Supplies and Materials, and

Lot 2:- Paper & Hygiene Goods and Supplies.

It was decided that for this tender to get the greatest effect of economies of scale, best value and to make the most efficient ordering system that there would just be one lot for all equipment and supplies required.

- 3.5 The tender documents 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 evidence 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 timescale in the case of emergencies. The evaluation of the quality questionnaire carried 30% of the overall score.
- 3.6 The pricing documents consisted of a 'shopping basket' of the most commonly used cleaning materials and equipment and all bidding suppliers were required to submit their price for each item within the shopping basket applied. There was also a

requirement for all bidders to supply percentage reduction on manufacturer's recommended retails/list price and for cleaning products and equipment that are less frequently used within each Lot or item that may be required in the future. The evaluation of the pricing documents carried 70% of the overall score.

- 3.7 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.
- 3.8 The project team firstly evaluated the technical section of each supplier's tender submission whilst the Procurement and Commercial Services team carried out vetting and eligibility checks.
- 3.9 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 method statements. The bids were then assessed by the individual members of the project team.
- 3.10 The outcome of the quality evaluations showed that 6 material suppliers submitted bids and 3 met the quality criteria and were successful with their bids. The 3 suppliers that were successful with their bids were invited for clarification interviews and asked to confirm a number of points raised about their products and pricing,
- 3.11 After the pricing evaluation was completed, and clarification interviews took place the project team were satisfied that the 3 suppliers were successful with this bids. The scores from both the quality and the pricing evaluations of the procurement exercise showed that the following suppliers were successful and ranked in the following order:-

1. Trevor Iles Ltd.
2. Arrow
3. Banner

- 3.12 In line with the bid documents issued and the evaluation undertaken it is recommended to award the contract:- The Supply of Cleaning Materials, Chemicals and Equipment to the following organisations

1. Trevor Iles Ltd.
2. Arrow
3. Banner

4.0 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 service 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 the Best Council Plan

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.

Climate Emergency

4.3.4 This contract has potential for significant impact on the environment through manufacture of the products, packaging and the delivery to site, both the specification and quality questions included references to the Climate Emergency, the Council's expectations and the bidder's commitment to reducing impact on the environment.

4.3.4 Bidders had to outline what measures they would take over the lifetime of the contract to reduce the impact hazardous chemicals have on the environment providing eco-friendly alternatives with reduced packaging, more concentrated products which would last longer and reduce both delivery frequency and amount of packaging and the impact the chemicals have once they enter the water course and detail how they would contribute to the climate emergency agenda in Leeds.

4.3.4 The bidders' responses were evaluated for quality and marked accordingly so there score for this area has a direct influence on who the contract is awarded to.

4.3.5 As part of the contract management plan for this contract Climate Emergency is a standard agenda item and the impact on the environment and how it can be reduced will be discussed and managed as part of this process.

4.4 Resources, procurement 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

4.5.1 This tender opportunity was advertised on the Council's YORtender system and The European Journal for European Union as required by the European Regulations.

4.5.2 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 Conclusions

5.1 CEL Cleaning is 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 3 suppliers have been deemed to be suitable to provide the service following the quality evaluation which is detailed in this report.

6 Recommendations

6.1 The Director of Resources and Housing is recommended to approve the commencement of the Framework Contract for the supply of cleaning materials, equipment and washroom goods from the 15th February 2020 for a period of 2 years with 2 x 12 months options to extend. The value of which is £1.8m for the duration.

7 Background documents¹

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.

7.1 None.