

Report of Environmental Health Manager

Report to Chief Officer Elections and Regulatory

Date: 17 February 2020

Subject: Domestic Pest Control Service – Approval for the procurement of an external contractor

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

1. Main issues

- Leeds City Council provides a domestic pest control service to owner occupiers, social and private landlords. The administration of the service is carried out internally but the actual pest control work is outsourced to a contractor. The Council charges customers directly and pays the contractor their agreed fee per job.
- The current contract which has been in place for four years expires on the 31st May 2020. The terms of the contract does not allow for a further extension period.
- There is an ambition to bring the domestic service back in house to be operated as a wholly council run function. However it is recognised that further time is needed to develop and implement this option.
- In view of the above it is proposed to offer a new short term external contract for a period of 12 months plus a further 12 month optional extension and undertake a procurement exercise to appoint a suitable external provider.

2. Best Council Plan Implications

- Domestic pests carry a wide range of disease causing organisms. Research has shown that living in pest infested premises is likely to have an adverse effect on

physical and mental wellbeing. The provision of a sustainable and affordable domestic pest control service contributes towards the Best Council Plan priorities of keeping people safe from harm and reducing health inequalities.

- The Domestic Pest Control Service contributes to the Plan's outcome that everyone should live in good quality homes with clean and cared for places.

3. Resource Implications

- A market sounding exercise was undertaken in October 2019 to gauge interest from contractors in bidding for the contract and to obtain estimated annual costs to the Council. From the received responses it is estimated that, based on the number and type of pest control jobs undertaken in 2018/19 and the prices provided by the lowest priced expression of interest the likely contract cost would be in the region of £270,000 per year.
- Under the current pricing model the Council charges the customer what the contractor charges the Council per job plus an additional handling fee. In 2018/19 the contractor was paid £199,094.12. Council receipts were £223,212.51. An income to the council of £24,118.39.
- It is the intention to continue with this pricing model to ensure a sustainable and affordable service to the public.

Recommendations

- a) The Chief Officer Elections and Regulatory is asked to approve a procurement exercise to appoint an external contractor to provide a domestic pest control service.
- b) The contract period to be for 12 months with the option of a further 12 month extension period.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Chief Officer Elections and Regulatory to undertake a procurement exercise to appoint an external contractor to provide a domestic pest control service to Leeds residents.

2. Background information

- 2.1 The implementation of a pest control treatment service is discretionary. It is a service provided by the majority of local authorities, particularly targeting those pests considered a public health risk, such as rats, mice, cockroaches and bed bugs. Treatment is a separate issue to enforcement of statutory pest control legislation that remains a duty on the Council and is undertaken by the relevant enforcement officers.
- 2.2 Although it is not statutory, the Council maintains a domestic pest control service for reasons of public health. The service is offered at a comparable and often lower cost than most established private providers and the customer has the added benefit of the Council monitoring contractor performance and the quality of work.

- 2.3 In April 2017 approval was given to bring the prices charged to the public by the Council broadly in line with the costs paid to the contractor in order to provide a cost effective service. In 2018/19 the contract realised an income of £24,118 for the Council. Prior to this contractor fees were greater than income to the Council resulting in the service operating at a loss.
- 2.4 It is recognised that some residents on limited incomes may be unable to pay for essential treatments. In such circumstances cases will be assessed on an individual basis with the option of providing treatments free of charge to protect public health.

3. Main issues

- 3.1 A market sounding exercise to identify and evaluate prospective bidders was undertaken in November 2019. Based on the most lowest submission received the annual cost of the contract would be in the region of £270,000 per year.
- 3.2 The current contract expires on the 31st May 2020. It is proposed to continue using an external contractor to provide the service and to undertake a procurement exercise to appoint an external contractor. It is the intention to offer a 12 month contract with the option to extend for a further 12 months. This relatively short contract period will allow the service to continue whilst the proposal to set up an in house service can be fully and properly explored.
- 3.2.1 The current contractor charges for the various pest control treatments have been in place since 2016. Charges provided by prospective contractors as part of the market sounding exercise showed a variance from the current charges. The most common pest treatments are for rats, mice and wasps nests. These make up 80% of all treatment request from customers. Using provisional costs provided by market sounding the prices supplied for a rat treatment ranged between a 1% decrease and a 24% increase on current prices. In order to maintain a sustainable service any increase would need to be reflected in the price the customer pays.
- 3.2.2 The 12 month contract, with the option to extend for a further 12 months will allow for the potential for a sustainable in house service to be fully explored and for operational matters such as recruitment of technicians, purchasing of vehicles and the introduction of a suitable IT platform to be implemented.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 A market sounding exercise was undertaken in November 2019 to gauge contractor interest in bidding for the contract and to obtain likely costings for the various pest treatments. Expressions of interest were received from four pest control companies.
- 4.1.2 The Executive Member for Environment and Active Lifestyles has been briefed on the proposal.
- 4.1.3 Should the procurement request be approved it is intended to consult with Housing Leeds on the content of any contract as a significant user of the pest control service.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 No specific issues relating to the procurement of a contract. Screening document attached as an appendix to this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 Domestic pests carry a wide range of disease causing organisms. Research has shown that living in pest infested premises is likely to have an adverse effect on physical and mental wellbeing. The provision of a sustainable and affordable domestic pest control service contributes towards the Best Council Plan priority of keeping people safe from harm and the Plan's outcome that everyone should live in good quality homes with clean and cared for places.
- 4.3.2 The eradication and prevention of pest infestations contributes towards the Council priority to reduce health inequalities.

Climate Emergency

- 4.3.3 The Contractor shall in performing the service for this contract meet all Legislation, Guidance and Good Industry Practice in environmental management and meeting the objectives of the City Councils sustainability policies.

4.4 Resources, procurement and value for money

- 4.4.1 A competitive tender selection process aim to provide a good quality, value for money pest control service.
- 4.4.2 There is existing budget provision for the contract.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The procurement will comply with all relevant legislation and Council policy.

4.6 Risk management

- 4.6.1 The performance of the contractor will be routinely monitored with key performance indicators and financial penalties for poor performance included within the contract terms and conditions.

5. Conclusions

- 5.1 The domestic pest control service provides a value for money and sustainable service to Leeds residents and contributes towards the outcomes of the Best Council Plan.
- 5.2 The competitive procurement of a suitable external supplier for a 12 to 24 month contract period will allow the continued provision of the service.

6. Recommendations

- 6.1 The Chief Officer Elections and Regulatory is asked to approve a procurement exercise to appoint an external contractor to provide a domestic pest control service.
- 6.2 The contract period to be for 12 months with the option of a further 12 month extension period.

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.