

Contract Extension for Supply of Cleaning Materials, Chemicals and Equipment – DN445679

Date: 12th December 2022

Report of: Head of Passengers, Cleaning & FM

Report to: Chief Officer Civic Enterprise Leeds

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Recommendations

- a) The Chief Officer Civic Enterprise Leeds is recommended to approve a 1-year extension of the supply of cleaning materials, chemicals, and equipment framework contract to Trevor Iles Ltd, Arrow County Supplies Limited, and Banner Group Ltd effective from 14th February 2023 with an annual estimated value of £900,000.

What is this report about?

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.
2. Several 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 Schools throughout Leeds.
3. The current framework contract with Trevor Iles Ltd, Arrow County Supplies Limited, and Banner Group Ltd is due to expire on 13th February 2023 and the proposal is that the final 1-

year extension option is taken so that we remain both compliant with our corporate procedural rules and to continue to provide services under this contract.

What impact will this proposal have?

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.
5. This contract supports the Council's objectives in providing value for money with discussions continuing and the delivery of annual savings in the region of £40,000.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

6. This contract proactively supports the Council's aim on zero carbon by having one point of delivery for goods ordered under this contract and then utilising staff delivering to sites as part of their day daily duties to reduce the carbon footprint. This also allows us to manage stock level and expenditure.
7. The provision and maintenance of COSHH management system and for ensuring that all areas of Leeds City Council comply with legal obligations under the COSHH Regulations 2002.

What consultation and engagement has taken place?

8. Key stakeholders were consulted during the initial award. The contract has worked well for the past 3 years, and there is no reason for not extending.
9. Consultation has been taken place with colleagues in Procurement and Commercial Services and those attending the CEL Weekly Assurance Meetings.

Wards affected:

Have ward members been consulted? Yes No

What are the resource implications?

10. The annual estimated spend arising from the extension is £860,000. However, savings of around £40,000 per year are estimated if through working with the suppliers to look at alternative cheaper ranges of products and batched delivery to reduce costs and it is envisaged that further savings will be delivered through less demands for products due to lower occupancy rates in buildings.
11. This spend figure includes an average uplift across all products of 13.6%, this uplift is within the permitted indexation uplift within the contract as it is the first uplift the supplier has requested in the first 3 years of the contract. Benchmarking has taken place across several suppliers and the rates for this contract extension compare favourably.

What are the key risks and how are they being managed?

12. Not extending this framework contract would mean there would be off contract spend in this area. The extension 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.
13. There is extreme volatility in pricing in this industry due to spiralling costs of raw materials used in these products such a paper and oil and the industry expects huge price hikes in the products related to this contract. Which such volatility in the market we are managing risk of inflated pricing by applying this permitted extension to look in prices and not to have to go to market at such an uncertain time where companies may price in large elements of risk for any new long-term contract. This extension will give us the opportunity to work on a new specification and go to the market at a less volatile time.
14. COSHH will be managed by ensuring that all control measures indicated within the COSHH assessments are implemented and maintained and that good working practices are established.

What are the legal implications?

15. There are no legal implications, exercising the extension option complies with the current contract and the Authority's Contract Procedural Rules and will ensure that the Authority does not incur any non-compliant expenditure in providing these services
16. This is a Significant Operational decision as a direct consequence of a key decision ref D50310 taken on 25/11/19 "Authority to procure a contract for the supply of cleaning materials, equipment and washroom goods" and is therefore not subject to call-in.

Options, timescales and measuring success

What other options were considered?

17. There were no other suitable options for the provision of this service, this contract has been let following a competitive procurement exercise.

How will success be measured?

18. This will be measured by continuing to have compliant contract, which is accessible to users who require this service, and by the continued successful delivery of this statutory service

What is the timetable for implementation?

19. That a 1-year extension option is exercised prior to the scheduled expiry of the contract on 13th February 2023.

Appendices

None

Background Papers

None