

47610 – Supply of Linen Hire and Laundry Services – Year One Extension

Date: 27 February 2023

Report of: Head Of Service

Report to: Deputy Director Social Work and Social Care Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The report seeks approval to agree to:

1. Approve the request to increase the agreed price of the existing Laundry and Linen service for the first-year extension. This increase is in line with January's CPI rate of 10.1% but would not ordinarily be included within the first extension period
2. Amend the contract specification to include supply and launder of face cloths.

Should this price increase not be approved, Elis may not agree to extend the contract, resulting in a significant disruption to service while an alternative supplier is procured. It is important to note that Elis were the only supplier to tender for this contract in 2022.

Recommendations

The Deputy Director of Social Work and Social Care Services is recommended to:-

- a) Approve the request to increase the contract price in line with CPI at 10.1%. This represents an approximate £16k increase to the annual cost of the contract.

The Leeds City Council Specification (Appendix 1: referred to on page 22 states)

The Council will not accept any price increase to the Contract Price from the Contractor for the initial 12 months of the contract and the first 12 month extension if taken up. Thereafter the Contract Price may be adjusted annually upon the second and third extensions if taken up, provided the Contractor meets the following conditions. The anniversary date of the contract will be known as the 'annual pricing review date'.

- b) Approve the request to amend the contract specification to include face cloths. This does not represent any increase to the value of the contract.

What is this report about?

- 1 Contract reference 47610: Supply of Linen Hire and Laundry Service provides an essential service to the Council's three Recovery Hub and three Care Homes. The provider is Elis Ltd. The Council entered this contract on 1st June 2022 and runs for a period of 1 year with the option to extend for up to a further 3 x 12 months.
- 2 During the exploration of the contract extension exercise, Elis submitted an extension bid not included within the existing contract as the tender specification states they will not accept any price increase to the contract price from the contractor for the initial 12 months of the contract and the first 12-month extension if taken up. Elis provided evidence of the sectors increased operating costs with a Textile Services Cost Index (TSCI) increase of 17.33% (Appendix 2) and requested that an increase to the contract of 10.% in line with CPI be considered.

What impact will this proposal have?

- 3 Agreeing the contract amendment and extension with associated price increases at 10.1% will allow for the continued supply of linen and laundry to the Council's three Recovery Hubs and three Care Homes.
- 4 These proposals represent an increase to the annual contract cost of around £16k.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

What consultation and engagement has taken place?

Not applicable

Wards affected:

Have ward members been consulted?

Yes

No

What are the resource implications?

The first-year extension to this contract represents a budget pressure of around £16k for 2023/204.

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

A withdrawal of service would result in the regulated services being unable to launder linen for 206 care home and nursing home beds. Infection prevention and control measures are fundamental requirements when delivering such activities.

Returning this service to in-house provision is forecasted to significantly increase costs and would require recruitment to six Laundry Assistant positions and the purchasing of all stock currently provided under this contract.

What are the legal implications?

Withdrawal of services would require the implementation of local business continuity plans. This represents a risk to the Council in its role as a registered 'Provider' under the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

The contract needs updating to include all services provided under it.

Options, timescales and measuring success

Not applicable

What other options were considered?

The Council could put the contract back out to tender. However, it is likely that even if other companies do bid for the contract, they would likely apply the Textile Services Cost Index 2022-2023 (TSCI) at a rate of 17.33%.

How will success be measured?

Maintaining the agreed service levels will prevent disruption to the Care Homes and Recovery Hubs.

What is the timetable and who will be responsible for implementation?

The Head of Service for Care Delivery will hold responsibility for the implementation of this report.

Appendices

Appendix 1: Leeds City Council Specification



Part 2B - Leeds City
Council Specification.

Appendix 2: Textile Services Cost Index 2022-2023 (TSCI)



TSCI-LCI_Q3_2022-2
023-Oct-Nov-Dec-22.

Background papers