

Cabinet Member for Finance and Resources	Ref No: FR15(10/11)
Procurement of Contract For The Provision of Building and Window Cleaning Services for West Sussex County Council Buildings and Schools in West Sussex	Key Decision: Yes
	Part I
Executive Director Finance and Performance	Electoral Division N/A

Executive Summary

The purpose of this report is to seek approval to undertake a procurement process, to replace the current Framework Agreement for Building and Window cleaning that expires on the 31st October 2010 that has the option for a 12 month extension. The Framework Agreement currently meets the corporate needs of West Sussex County Council (WSSCC) however does not take into account the requirements of educational establishments, whose cleaning requirements are currently secured in a variety of different way. Therefore to maximise the benefits of bringing the cleaning activity for both types of establishments together and to ensure that there is sufficient time for:

- A full consultation process with relevant officers from across the Council to include the needs and requirements of both non-educational and educational establishments,
- A robust procurement process to be undertaken
- Successful contractor(s) to mobilise to deliver the new services from the 1st April 2011.

the current contractual arrangements need to be extended to the 31st March 2011.

Recommendations

1. That the Cabinet Member approves the extension of the current framework agreement for 5 months from the 1st November 2010 to the 31st March 2011.
2. That the Cabinet Member approves the commencement of the procurement process for a Framework Agreement to deliver services for the provision of building and window cleaning for West Sussex County Council buildings both education and non-educational establishments.
3. The resulting framework agreement to commence on the 1st April 2011 for a period of 2 years with the option to extend for a further 2 years to a maximum of 4 years subject to performance.
4. Other authorities within the Improvement Efficiency South East (IESE) and Central Buying Consortium (CBC) should be permitted to use the resulting contracts for the building and window cleaning of their buildings.
5. That the Executive Director Finance and Performance has the delegated authority to accept the Most Economically Advantageous tender(s) and to award the contract(s) under the framework agreement against this criteria.

1. Background

- 1.1 West Sussex County Council (WSSCC) currently spends approximately £800,000 per annum on the provision of building and window cleaning services for Administrative buildings, Day Care, Children and Family centres, Libraries, Fire Stations, Highways depots. The spend by schools on cleaning is estimated to be in the region of £600,000 to £800,000, however this figure is currently being validated by the Education Caretaking and Premises Support team (ECPS).
- 1.2 The current framework agreement is used by a few schools, but in essence does not meet the needs of education establishments, that are supported by the Education Caretaking and Premises Support team within the Capital and Asset Management business unit. Education establishments meet their cleaning requirements in a range of different ways and to do this either manage the procurement themselves, may employ the services of a consultant or are supported either by Procurement Support or the ECPS team subject to the value of the cleaning for the buildings and if Transfer of Undertakings Protection of Employment (TUPE) applies to the staff employed to clean the building.
- 1.3 The current framework agreement operates with the county having been divided into 5 geographical areas for non-educational buildings (eg. libraries, fire stations, depots etc).
- Area A – Chichester
 - Area B – Bognor & Midhurst
 - Area C – Horsham & Adur
 - Area D – Worthing
 - Area E – Crawley
- 1.4 A single contract was awarded to a contractor to clean all the buildings within the geographical area they were successfully awarded as a result of the procurement process. Subsequent buildings that require a cleaning service (within a specific geographical area) are added to the contract as appropriate, subject to a financial capability test of the approved contractor for that area as agreed with Management Audit. If the addition of a building results in a contractor exceeding their agreed financial capacity then the work is awarded to another contractor on the Framework Agreement as a result of the running of a mini competition amongst all the providers on the framework agreement.

Discussion

- 1.5 It has been identified that the continuation of a Framework Agreement arrangement with a range of service providers would provide WSSCC with flexibility in procuring building and window cleaning services. The benefits are:
- When a contractor might be needed for emergency cover, WSSCC can call off from the Framework Agreement.
 - Continuation of the agreed rates and improved service levels which will reduce administrative activity.
 - It should encourage more establishments to participate in the contract as they will be able to purchase special cleans and periodic cleans to fit their budgets and service needs.

- The greater number of establishments participating in the framework will enhance economies of scale principles, and therefore reduce prices and costs for the service delivery.
- Standardised Key Performance Indicators (KPI's) will allow greater monitoring of the service, and provide WSCC with much improved management information.
- Reduce the workload of both Procurement Support and the ECPS team in supporting both educational and non-educational establishments who need to procure a cleaning service.
- Compliance with both the EU Procurement Directives and both School and the Council standing orders on procurement and contracts.

1.6 Further consultation and consideration needs to be given before deciding the most effective way that the new framework agreement should operate in the future. This needs to reflect:

- the learning from the existing framework agreement (what works well and what works not as well),
- what other service delivery models are used by other public sector bodies and the private sector and how these operate successfully,
- the need to be sufficiently flexible to meet the needs of both education and non-education establishments,
- the availability of contracts from other public sector bodies and neighbouring authorities
- the potential to deliver savings for the organisation
- the creation of business opportunities to provide a cleaning service to WSCC for the range of service providers in the market place locally within West Sussex, regionally, nationally etc. from the micro business, to small medium enterprises (SME's) and the large commercial cleaning organisations

1.7 The cleaning of buildings will continue to include the requirement for window cleaning; this will increase cost savings due to a reduction in invoices and economy of scale principles.

1.8 It has been discussed that the formulation and introduction of standardised key performance indicators (KPI's) will be beneficial in monitoring the service delivery. This will be used throughout the duration of the contract.

Proposals

1.9 Due the high number and range of different organisation who are operate with the cleaning contractors market place, and the use of the WSCC e-portal the procurement process will be designed to maximise the benefits of e-tendering and to make the process as simple as possible for all potential bidders. This will accommodate the smaller businesses who may have very limited experience of bidding for work using e-tendering tools, as well as the large cleaning service providers who are probably used to submitting bids electronically.

1.10 The procurement process will be open, transparent, equitable and fair in accordance with EU procurement regulations and our own Standing Orders on Procurement and Contracts. An E-auction if considered appropriate when all the consultation has been completed may be used within the procurement process.

- 1.11 The framework agreement will be awarded for a period of 2 years with the option to extend for a further two years subject to performance.
- 1.12 The procurement process will determine the number of organisations on the framework agreement and contracts will be awarded based on the most economically advantageous tender (MEAT) criteria, with an emphasis on delivering a sustainable and environmentally friendly service. It is not proposed to limit the number of organisation on the framework agreement at this stage, particularly to encourage the engagement of the SME's in the procurement process and onto the framework. However the structure of the framework agreement will take this factor into account.

2. Consultation

- 2.1 Directorate representatives (internal clients), Facilities management, ECPS, Fire and Rescue services, Library services and Infrastructure have been and will be further consulted to ensure the procurement strategy for the new framework agreement meets their requirements.
- 2.2 Current contractors have and will continue to be consulted on how the new framework agreement could operate and they have welcomed this consultation, to ensure that changes within the industry and market place can be reflected in the design of the new framework agreement.
- 2.3 Hampshire County Council has been consulted with regard to the operation of their framework, which included financial thresholds in the division of sites across Hampshire, and educational sites were included with non-educational sites. Other authorities and public sector bodies will be consulted to inform the procurement options, the design of the new framework agreement and the subsequent procurement strategy.
- 2.4 From the consultation undertaken to date it has been indicated that the Council may benefit by switching from the current output specification to an input specification. This will be considered further prior to the commencement of the procurement process, however there is a need to ensure there is absolute clarity with regard to the development of the specification and the service required to maximise potential cost savings and deliver an efficient cleaning service through the framework agreement.
- 2.5 The provision of the new service delivery is being discussed with the Sustainability Team, with the view to completing a Sustainability Appraisal to inform the design of the new service and the specification of requirements. This should ensure that the provision of the new building and window cleaning service will support and compliment the Councils sustainability targets. Together with the adoption of the principals of the sustainable office this should ensure the delivery of a sustainable service.
- 2.6 The Resources Consultative Group and Schools Forum will be consulted with regard to these proposals at their next meetings in October 2010.

3. Customer Focus Appraisal

- 3.1 The Customer Focus Appraisal Adviser has confirmed that that as the procurement process already includes robust Equalities and Diversity

requirements that in this instance they do not consider that a Customer Focus Appraisal is required.

4. Resource Implications and Value for Money

- 4.1 Value for money should be delivered through the new framework agreement as a result of the procurement process and the decision to award the contract to the bidder who submits the most economically advantageous tender (MEAT). This will ensure that the tender evaluation and award criteria balances technical and quality requirements against commercial elements to ensure the delivery of an affordable service that is best value for money.
- 4.2 It is difficult to quantify the savings that will be generated from the new framework agreement, as a minimum they should be in the region of 5% based on the consolidation of education and non-education establishments, and the economies of scale of merging these historically discreet areas of spend.
- 4.3 Further savings should be delivered, but cannot be guaranteed as and when mini-competitions are run to add new buildings and establishments to the framework agreement. It is anticipated the majority of these additions to the new framework agreement will be schools.

5. Risk Management Implications

- 5.1 The risks of replacing the existing framework agreement with a greater emphasis on a sustainable and environmental friendly contract(s) will be managed through the procurement process in accordance with best practice procurement principles.
- 5.2 All the affected staff currently employed by the current cleaning contractors and possibly WSCC employees, who may be subject to Transfer of Undertakings Protection of Employment (TUPE) as a result of this procurement process, will be consulted in accordance with statutory requirements. This will include the full involvement and engagement of recognised trade unions as appropriate noting that WSCC recognises Unison.
- 5.3 The successful service provider(s) will be required to comply with the Council's Health and Safety requirements.
- 5.4 The successful service provider will be required to have appropriate levels of insurance in accordance with WSCC Standing orders on Procurement and Contracts.
- 5.5 Project governance will be put in place and a risk and issues log will be established by Procurement Support that will continue to be maintained and updated as necessary

6. Crime and Disorder Act Implications

There are no crime and disorder act implications.

7. Human Rights Act Implications

There are no human rights implications.

Richard Hornby
Executive Director Finance and Performance

Background Papers

None

Contact: Kim Medhurst, Procurement Strategy Manager. Tel No. 01243 382168