

Chichester District Council

THE CABINET

1 February 2022

Award of Contract for Cleaning for Operational Buildings and Public Conveniences 2022-2027

1. Contacts

Report Author:

Andy Buckley – Corporate Improvement and Facilities Manager
Telephone: 01243 534785 E-mail: abuckley@chichester.gov.uk

Cabinet Member:

Peter Wilding – Cabinet Member for Corporate Services
Telephone: 01428 707324 E-mail: pwilding@chichester.gov.uk

2. Recommendation

- 2.1 That the contract for the cleaning of operational buildings and public conveniences for a period of three years from 1 April 2022 or as soon thereafter be awarded to Supplier C, the details of which are set out in the exempt appendix to the agenda report.**
- 2.2 That authority be delegated to the Director of Corporate Services to:**
- (1) make any minor contractual changes during the contract term.**
 - (2) extend the contract by mutual agreement for up to 2 periods of 12 months each should the contract remain economically advantageous and the supplier perform satisfactorily.**
- 2.3 That Cabinet note the planned savings of £32,300 from this contract have been achieved, and approve that the further savings of £34,300 be retained to fund temporary staffing support during contract implementation.**
- 2.4 Subject to the agreement of 2.3, the requirement for the £34,300 in future years will be reviewed by Officers as part of the 2023-34 budget process and either repurposed towards contract variations or returned to the Council's base budget.**
- ### 3. Background
- 3.1 Chichester District Council (CDC) currently maintains two separate cleaning contracts for its office cleaning and public conveniences. Those contracts were extended and aligned to run until 31 March 2022.**
- 3.3 Due to the financial size of the contract a tendering exercise was required and an EU notice inviting tenders was published on 4 November 2021. A total of nine completed tender applications were received.**

4. Outcomes to be Achieved

- 4.1 A new cleaning contract that ensures Council buildings are maintained to an appropriate standard. This will be monitored and managed by agreeing a set of Key Performance Indicators with the contractor prior to contract commencement.

5. Proposal

- 5.1 Each tender application was scored using the Price per Quality Point methodology, designed to identify the most economically advantageous tender. The tenderer's price was divided by the quality score (out of 100) to give a price per quality point. The tenderer with the lowest price per quality point is the preferred bidder.
- 5.2 The results are set out in the table below and the tender prices submitted are identified in the confidential Part II exempt appendix to this report:

| | Supplier | | | | | | | | |
|-----------|----------|------|--------|------|--------|------|------|--------|--------|
| | A | B | C | D | E | F | G | H | I |
| Pass/Fail | Pass | Fail | Pass | Fail | Pass | Fail | Fail | Pass | Pass |
| PpQP * | £5,097 | - | £3,073 | - | £7,876 | - | - | £5,337 | £9,128 |
| Rank | 2 | - | 1 | - | 4 | - | - | 3 | 5 |

* PpQP stands for Price per Quality Point and assesses the value for money of tenders in order to identify the most economically advantageous tender.

- 5.3 It is therefore recommended that the Cabinet award the contract to Supplier C. The duration of the contract will be for three years and is extendable up to a further two years subject to agreement and satisfactory performance.
- 5.4 The contract needs to be formally offered to Supplier C based on their submission. There will be a formal ten-day period of standstill. The contract is anticipated to commence on 1 April 2022 or as soon thereafter.
- 5.5 The contract price will be fixed for three years and then reviewed annually with the Service Producer Price Inflation index being used to agree any price increases. Key performance indicators will be finalised with the supplier as part of the contract mobilisation process, and monthly contract performance meetings will subsequently take place between the preferred supplier's Contract Manager and the Council's appropriate service managers.
- 5.6 It should also be noted that Supplier C has indicated that they will include digital cleaning software and sensors that will monitor visitor traffic and consumption levels for consumables. This system will provide valuable management information to understand how best to utilise the cleaning resource.

6. Alternatives Considered

- 6.1 Officers have considered the possibility of bringing the cleaning contract 'in-house' and employing staff directly, but the additional resource required to setup and manage the staff, and their differing contractual terms and conditions, are considered to discount this option as a viable alternative.

7. Resource and Legal Implications

7.1 The tender from Supplier C will provide a cost saving of £66,600 against the current contract. However, the Council's efficiency programme already assumes a saving of £32,300 from this procurement exercise, therefore the balance of additional savings generated is £34,300. The table below compares current budget to the new contract prices.

| Site | 2021-22 Costs + 3% Inflation | New Contract Price 2022-23 | Variation |
|----------------------|------------------------------|----------------------------|-----------|
| Public Conveniences | £231,500 | £205,300 | -£26,200 |
| East Pallant House | £55,000 | £36,900 | -£18,100 |
| The Novium Museum | £26,700 | £13,300 | -£13,400 |
| Westhampnett Depot * | £13,500 | £5,200 | -£8,300 |
| Westward House | £1,100 | £500 | -£600 |
| Total | £327,800 | £261,200 | -£66,600 |

* Westhampnett Depot relates to the cleaning of their public conveniences and shower units, the office cleaning is completed by a CDC employed staff member and is outside the scope of this contract.

7.2 Due to the scale and importance of this contract it is recommended that these additional savings of £34,300 are first used to fund the temporary appointment of an appropriately qualified Officer to work with the contractor and scrutinise contract performance to ensure that standards are maintained.

7.3 These funds can then be reviewed in 2023-24 and either returned to the Council's base budget or used as a contingency towards any contract variations that may be requested during the life of the contract.

8. Consultation

8.1 The procurement process has been carried out in compliance with the Council's Standing Orders and included advice from both Procurement and Legal Services.

9. Community Impact and Corporate Risks

9.1 None.

10. Other Implications

| | Yes | No |
|---|-----|----|
| Crime and Disorder | | X |
| Climate Change and Biodiversity | | X |
| Human Rights and Equality Impact | | X |
| Safeguarding and Early Help | | X |
| General Data Protection Regulations (GDPR) | | X |
| Health and Wellbeing | | X |
| Other | | X |

11. Appendix

11.1 Submitted Tender Prices – confidential Part II exempt material

12. Background Papers

12.1 None