

WARDS AFFECTED:

All Wards

ITEM 1**DELEGATED DECISION****24 JUNE 2014****PROPOSED EXTENSION OF EXISTING CLEANING SERVICES CONTRACT**

Decision Taker: David Hill (Chief Executive)

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Executive Summary:

On 6 August 2013 Cabinet Procurement Committee (CPC) approved the proposal to go out to tender for a new contract for cleaning services.

The route to tender has been followed and subsequent to the evaluation process of the final three bidders a number of issues arose which had the potential to adversely affect the robustness of the final selection. The issues have been resolved and the tender process taken back a stage.

Due to the timescales now required to continue the tender process an extension of the incumbents contract is needed in line with the existing contract provisions, from 30 June 2014 to 31 March 2015, to ensure that the Councils buildings remain cleaned, fit for operation under its welfare and health obligations and also to allow the incumbent contractor sufficient time to submit a tender.

The value of the existing contract is approximately £450,000 per annum and is influenced by defaults and remedies sums.

1. Recommendation

That the existing contract be extended for a nine month period until 31 March 2015 to enable the procurement of a cleaning services provider that meets the Council's requirements for the future.

2. Issues and Background

2.1 As a consequence of potential procedural irregularity identified during the evaluation process; it has been concluded (in consultation with Procurement and Legal Services) that a re-issue of the tender documents from Pre-Qualification stage is desirable and appropriate.

2.2 The issues themselves revolved around the effectiveness and appropriateness of:

The Remedies and Defaults procedures;

The TUPE information and clarity of a particular point;

An element relating to the sum of the financial bond;

The pricing a Lot 6 had not been explicit in relation to a discount.

- 2.3 Each of the issues is being addressed with Procurement, Legal and Finance so as to ensure robustness.
- 2.4 In addition, the recommendation for an external procurement consultant to provide additional support has been taken up and will ensure any further improvements to the tender documents will be incorporated.

Background

- 2.5 The current cleaning contract was awarded on the 1 April 2010 and would have expired on the 31 March 2014, subsequently the contract was extended for three months (under delegated powers) until the 30 June 2014; at that point it had been anticipated that the issues identified could be resolved within that timescale but this is not now the case.
- 2.6 The rationale for the recommended Decision route is that:
- (a) The existing extension until 30 June will have expired before the next available Cabinet procurement Committee;
 - (b) That the timeframe required in order to allow the incumbent to continue service provision with continuity of staffing means that a regular Delegated Decision will not meet the timescale;
 - (c) That the Decision is required to be taken in the interests of keeping open the Council's properties in respect of Health, Safety and staff and Public welfare and conditions.

3. Options

1. Do nothing – this is not an available option as the existing cleaning contract expires on 30 June and it is neither practical to appoint an alternative contractor or transfer staff to an alternative contractor.

Post contract expiry the services would cease the Authority would be potentially in breach of its obligations.
2. Extend the existing contract until 31st March 2015 in line with current contract provisions to enable the appropriate and robust procurement of a cleaning services provider that meets the Councils requirements for the future and incorporates recommended good practice around contract management and value for money.

4. Implications

4.1 Policy

The policy issues revolve around the expediency with which this Decision is required and is a necessary requirement to ensure cleaning continuity, health and safety and the provision of sanitary consumables and to ensure buildings are kept open.

4.2 Resources and Risk

Financial and Reputational Risk

There is no additional financial risk attributed to taking this decision but there is considerable financial risk in taking any other option.

There is reputational risk to the Council in not extending the existing contract, as per 4.1 above.

There is a risk of challenge under the existing procurement process but this has been reviewed by Procurement and Legal Services and the risk accepted by AD Public Access.

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

This section is not applicable.

4.4 Legal

Legal and Procurement have confirmed and agreed the recommended option

4.5 Other Implications

N	Equalities/Diversity	N	Sustainability	Y	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: None