

## **Committee: Cabinet**

**Date: 27 June 2022**

**Wards:** All Wards

**Subject:** Contract Award - School Cleaning and Ancillary Services

**Lead officer:** Jane McSherry - Director of Children, Schools & families

**Lead member:** Sally Kenny, Cabinet Member for Education and Lifelong Learning

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### **Exempt or confidential report**

The following paragraph of [Part 4b Section 10 of the constitution](#) applies in respect of information given in the appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the Appendix

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### **Recommendations:**

Members are asked to approve the recommendation that:

- A. The council award to Bidder F (as detailed in the Confidential Appendix to this report) a contract for provision of the school cleaning and ancillary service at a range of schools and other education buildings within the borough for a period of 3 years from 1 August 2022, with an option to extend for up to two further years at the discretion of the council.
- B. In accordance with Contract Standing Orders (CSO 24.3) that authority be delegated to the Director of Children, Schools and Families to exercise, in consultation with the Cabinet Member for Education and Lifelong Learning, the council's option to grant one or more extensions of the contract term for any period up to two further years beyond the expiry of the initial contract term on 31 July 2025.

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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to seek the approval of Cabinet for the award of the contract for the provision of school cleaning and ancillary services at a range of schools and educational buildings to Bidder F following a single stage tender process.
- 1.2. This new contract will be for an initial period of 3 years from 1 August 2022, with an option at the discretion of the council to extend the term for a further period or periods of any duration up to a maximum two years in total.
- 1.3. In addition to standard cleaning services the contract with the appointed contractor will include the option for schools to purchase a range of ancillary

services such as the supply of consumables, the provision of hand dryers, waste management and pest control.

## 2 DETAILS

- 2.1. The council's existing contract for the provision of school cleaning was extended until 31 July 2022 by a decision of Cabinet on 17 March 2022.
- 2.2. In line with requests from schools for the continuation a centrally procured cleaning contract, the council has sought bidders for the provision of school cleaning and related ancillary services on their behalf.
- 2.3. The contract covers over 40 sites – most of these are schools but also included are a number of children centres on school sites and some other education buildings. The new contract includes three of the PFI (Private Finance Initiative) secondary schools now that 'soft' facilities management services were removed from the PFI contract on 1 September 2021.

### Tender Process

- 2.4. A single stage 'open' procedure, as set out in the Public Contract Regulations 2015 (SI 2015/102) ("PCR 2015"), was used for the purpose of this tender exercise.
- 2.5. In accordance with the requirements of that procedure, potential contractors were requested to bid for the proposed contract following the publication of a Contract Notice in March. The tender opportunity was also advertised to interested bidders via the Contracts Finder website and through the London Tenders Portal - the tender process was conducted electronically using the portal.
- 2.6. Organisations were invited to submit a proposal based on for the cost of the provision of standard cleaning services and optional ancillary services. Along with their pricing, bidders were requested to provide detailed method statements explaining how they would deliver these services. The information requested to support the price proposal required potential contractors to detail the breakdown of their wage and overhead costs.
- 2.7. Bidders were required to submit as part of their tender submission a proposal in regard to adding Social Value. In addition, they were advised of the focus of the council on achieving the commitments under its Climate Emergency Action plan and that they would be expected to detail in their bids how they proposed to assist the council in doing so.
- 2.8. The council stipulated that the contract would be awarded to the bidder whose tender was judged to be the most economically advantageous based on price and quality criteria. As set out in the table below, 60% of the evaluation was based on pricing considerations, 35% on the assessment of qualitative criteria and a further 5% based on proposals in regard to the delivery social value objectives.

<b>Published Award Criteria</b>	<b>Weighting</b>
<b>Qualitative Criteria</b>	<b>35%</b>

Organisational Capacity (12.5%), Quality of Service (15%), Performance Management (7.5%)	
<b>Price</b>	<b>60%</b>
Total Cost (15%), Total Hours v. Benchmark (15%), Hourly Cost (15%), Ratio of Wage Cost to Charge (7.5%), Variation Rates (5%), Ancillary Service Charges (2.5%)	
<b>Social Value</b>	<b>5%</b>
<b>Total Quality, Price &amp; Social Value Scores</b>	<b>100%</b>

**Table 1 - Contract Award Criteria**

- 2.9. The qualitative criterion was assessed across a range of operational areas to take account of the priorities of schools and the council in relation to the quality of service. The invitation to tender detailed the agreed scoring methodology for potential bidders.
- 2.10. Contractors were also informed that in the event of a tenderer other than the current contractor being awarded this contract, the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006 were likely to apply (“TUPE Provisions”).
- 2.11. Bidders were advised that the contract would be awarded in accordance with the assessment of bids against the criteria and weightings detailed below.
- 2.12. The return date for tenders was 20 April 2022. A number of potential bidders expressed an interest in Merton’s contract and, by the date set for delivery of tenders, the council received bid responses from five organisations. A sixth organisation only accepted the Council’s Terms and Conditions without submitting any bid documents. They were notified of their exclusion from the process on the grounds of non-compliance.

#### Tender Evaluation

- 2.13. The evaluation of bids received was undertaken in two parts – an initial review of the bids to check completeness and to review grounds for exclusion, followed by a detailed consideration and scoring of written quality and prices submissions.
- 2.14. The evaluation process was supported and overseen by an officer from the council’s Commercial Services team, acting in a quality assurance role to ensure national procurement legislation and the council’s own procedures were complied with in full, and that the approach of the team to testing and scoring against the evaluation criteria was rational and consistent for all elements of the tender.

- 2.15. Bids were checked for completeness and assessed against the mandatory and discretionary grounds for exclusion and on their turnover and experience of delivering a school cleaning service. One of the five organisations who submitted responses failed to provide a detailed pricing schedule and was, therefore, excluded from further evaluation. They were informed their bid was incomplete and therefore excluded on the grounds of non-compliance. The remaining four bidders all passed these threshold requirements.
- 2.16. The evaluation team assessed each tender and marks were awarded to each bidder. Following a moderation exercise, to arrive at a consensus score for each bidder, final scores based on written submissions were confirmed.
- 2.17. Following the conclusion of this process, the evaluation team determined that Bidder F scored best against the published criteria so it is recommended the council awards the contract to this company.

### **3 ALTERNATIVE OPTIONS**

- 3.1. The making of arrangements for school cleaning is a matter for schools as budgets are delegated to them. It is not essential that there is a borough-wide contract. However, the schools who were consulted have indicated a wish to be part of a council organised contract which avoids the necessity for each school to make their own arrangements. It also allows them to engage with the council to monitor the service to ensure consistency of service across different school sites.
- 3.2. The council's cost in procuring and monitoring the contract are met through a charge of £36,500 per year payable by the contractor – accordingly, the council's management costs are fully covered without placing an extra financial burden on schools or the council.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. School head teachers and business managers have been consulted in relation to the provision of the cleaning and related service. Their specific requirements have been incorporated into the tender documentation.
- 4.2. The Corporate Procurement Team has been consulted at all stages throughout the process to ensure probity existed at all times and to ensure we are able to fulfil our obligations at a later date in the event of a Freedom of Information Enquiry.

### **5 TIMETABLE**

- 5.1. The new contract is due to commence on 1 August 2022.
- 5.2. The award of this contract is subject to observing a 'standstill' period. Accordingly, the contract can be formally awarded to the successful tenderer from 4 July 2022 with daily cleaning commencing in September.

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. The value of the existing contract in 2021/22 financial year was just over £2.1m

- 6.2. The cost of the new service to schools is detailed out in the Confidential Appendix to this report.
- 6.3. The council is responsible for payment of the costs of cleaning for those educational sites such as children's centres which are included in the contract which amounted to approximately £72,461 in 2021/22.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. The service being procured complies with the open procedure in the Public Contract Regulations 2015 and with the Council's own Contract Standing Orders. These require under CSO 19.5 that a ten day standstill to be in place and CSO 19.2 require the contracts once awarded be entered onto the Council's Existing Contracts Register in line with the Local Government Transparency Code 2015 as well as Contracts Finder in accordance with CCS Guidance.
- 7.2. The Council has the power to enter into this contract by virtue of section 1 of the Localism Act, section 111 of the Local Government 1972 Act and section 1 of the Local Government (Contracts) Act 1992.
- 7.3. The Council also has the ability to delegate its powers under the Local Government Act 2000. The recommendation to approve the extension in line with CSO 24.3.2 enables extensions beyond those originally specified by Cabinet.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. The tender documentation submitted by all selected tenderers was assessed against the threshold requirement to ensure bidders comply with current equalities legislation. This will ensure that contracts are awarded to organisations that have an equalities and diversity policy and practices which can impact positively on the delivery of the service.
- 8.2. The council stipulated that bidders should submit tenders on the basis that the contract awarded would require the successful contractor to pay cleaning staff based on existing pay rates but also asked them to indicate the cost of the alternative option of paying its staff the London Living Wage. As this is a delegated service for schools, it is for each school to decide whether to pay the standard charge or to opt to meet the charge including the London Living Wage.

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. There are no substantive crime and disorder implications arising from the recommendations contained within this report.

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. All organisations that are awarded contracts must have a health and safety policy and procedures for effective health and safety and risk management.

- 10.2. The EU procurement regulations allow a company to challenge a contract decision from a public body, especially on matters of procedure. To mitigate this risk a separate quality assurance role was established for an officer from Commercial Services to monitor the tender procedures.

## **11 BACKGROUND PAPERS**

Contract Standing Orders

Exempt Annex to Report