

COMMUNITITES & SOCIAL AFFAIRS COMMITTEE**18 MARCH 2015****REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS****COMMUNAL CLEANING TENDER REPORT****1.0 PURPOSE OF REPORT**

- 1.1 For members to note the outcomes from the procurement of a new Communal Cleaning Contract exercise and approve the award of the contract to Cleanjeans Cleaning Services.

2.0 RECOMMENDATIONS

- 2.1 **To approve the award of a contract to Cleanjeans Cleaning Services, under the procurement process for the Communal Cleaning Contract 2015 – 2019**
- 2.2 **Members to approve a Communal Cleaning charge as set out in section 5.1.**

3.0 KEY ISSUES

- 3.1 At present there is no Communal cleaning contract in place since the last contractors were terminated in December 2014. Since that time planning for a new contract became necessary and as a result a restricted tender process was carried out to select a suitable contractor who would deliver a high quality service which would also deliver value for money, while at the same time re-build resident satisfaction in this area of communal cleaning.
- 3.2 In the past, it had been the practice to let this contract in small time lots, i.e. 12 months contracts with options to extend for a further 2 years. Therefore it was agreed that it would be prudent to test the market and secure a new contract.
- 3.3 Previous considerations taken into account were around the low value bid by the previous contractor. Concerns were raised at the time that the bid was set too low in order to win the contract.

It was recognised at the time that this bid was possibly too low and representations were sent out by Welland Procurement to the bidder to confirm that they had priced the work correctly and asked if they would like to amend their prices, however they stood by their bid costs and the contract was let on that assumption.

- 3.4 During the term of the contract concerns were raised as to the quality and frequency of the work and Melton Borough Council received a large number of complaints that the work was substandard. As a result, Housing Repairs and Maintenance took the opportunity to terminate the contract and seek a more suitable replacement.

3.5 Options for Delivering the Communal Cleaning Contract

In seeking the most beneficial procurement process to deliver this contract several options were considered in line with;

- The Council's Standing orders and Procurement Rules

- Existing Frameworks
- Advice from Welland Procurement

The need to procure a Cleaning contractor presented an opportunity to consider the wider implications of how this service could be procured and how to achieve value for money alongside a robust contract delivery. Therefore it was decided that a restricted tender be followed that would allow Melton Borough Council to access bidders over a wider criteria through a structured PQQ and ITT assessment questionnaire which included;

- Customer Care
- Resident Involvement and Engagement
- Quality Initiatives
- Health and Safety
- Financial Standing
- Experience and expertise in the particular contract area
- Consideration for Equality and International Labour Organisation regulations
- Pricing

3.6 The Tender Evaluation PQQ

In the PQQ stage a robust evaluation criteria ensured that a short list was established which met the minimum financial and quality threshold for inviting suitably qualified contractors to submit tenders.

Suppliers were asked to submit details of their company in terms of finance, contractual matters, technical and professional ability, insurances, quality assurance, environmental standards, equality and diversity policies, references and previous experience. These were then evaluated and suppliers shortlisted. Some suppliers were not shortlisted because they did not provide sufficient evidence of the required criteria.

During the PQQ stage 23 contractors registered an interest in the contract, however of this number

1 Declined to return - prior to deadline
 11 Did not return their PQQ's whole,
 11 Submitted PQQs

From this number five contractors were selected to submit priced tenders (Full list in Appendix 1)

Table 1

| Score | Contractor |
|-------|------------------------------|
| 186 | Cleanjeans Cleaning Services |
| 179 | Contractor B |
| 170 | Contractor C |
| 169 | Contractor D |
| 164 | Contractor E |

2 Officers from Melton Borough Council and 1 TFEC member took part in the evaluation process.

3.7 The Tender Evaluation ITT

The evaluation criteria were stated in the tender documents as most economically advantageous tender based on a combination of price (60%) and quality (40%)

For quality a series of questions were used and suppliers' answers were evaluated to award a score for quality.

For the price evaluation the highest price was awarded full marks with other prices compared to that price. For example $100 \times \text{lowest bid} \div \text{highest bid} \times 0.40 = \%$

2 Officers from Melton Borough Council and 1 TFEC member took part in the evaluation process. From this process, only three suppliers returned completed ITT documents.

The scoring matrix identified a clear winner in Contractor E with Cleanjeans coming in as second highest bidder.

Table 2

| Contractor | 60% | 40% | Total | Notes |
|---------------------|------------|------------|--------------|--------------|
| Contractor E | 60% | 29% | 89% | |
| Cleanjeans Cleaning | 23% | 40% | 63% | |
| Contractor C | 20% | 29% | 49% | |

3.8 Evaluation Results

The highest scoring tender was submitted by Contractor E a company based in Essex.

The price submitted by this bidder was so low that it effectively eliminated all other bidders. It was considered that this bid was too low to allow the company effective profits which would deliver an efficient service and it was clear that no site inspection to evaluate the work had been carried out as their rate worked out at under £5.00 per hour across all sites.

No account was made for materials or transport costs. In effect it was unworkable. Advice from Welland Procurement concluded that the bid should be rejected as unacceptable, however on seeking out references, all referees declined to give a reference to Contractor E. this, in effect disqualified them from the process.

CleanJeans bid was good on quality and they scored a good 40% on their explanations around customer care, good working practices and robust working methodology. Their price was more realistic for the work required and they were therefore selected to win the contract.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1
 - To provide high performing services that are efficient and meet resident needs
 - Improve the quality of life for people living in the most disadvantaged neighbourhoods

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 This new cleaning contract requires an increase in funding which members will need to be aware when making funding decisions. As a result of the new procurement process, the new contract value is now significantly higher than the previous contractor and now realistically reflects the true market value. As a consequence of this increase a price rise to residents would be required and so approval is sought from members.

There are two options sited below for the 2015 /16 charge to residents. The current cost is 30p but this is so low partially due to overcharging in earlier years that any rise would be significant in real terms to cover the increase in costs whichever option is taken up.

Communal Cleansing - Charges to Tenants – Options

Table 3

| Option | Description | Charge 2015/16 per week |
|----------|---|-------------------------|
| | | |
| Option 1 | Absorb previous years deep cleanse costs and charge 2015/16 at cost - excluding sharps/body fluid removal* | 1.84 |
| | | |
| Option 2 | Allow for additional deep cleanse costs in 2014/15 plus charge 2015/16 at cost - excluding sharps/body fluid removal* | 1.91 |

*No sharps/body fluid collection figures are available as has not previously been used, the recommendation is to exclude the charge in 2015/16 but include any usage costs in the 16/17 charge, so effectively charging tenants in arrears for the term of the contract

- 5.2 There are no HR or TUPE implications within this procurement process.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 All legal implications were considered during this procurement process along with Constitutional requirements and procurement rules. Advice was taken from both Legal and Welland Procurement to ensure that all legal requirements were met.

7.0 COMMUNITY SAFETY

- 7.1 Within the tendering process community safety was considered with the PQQ and ITT

documents where contractors were asked to outline their health and safety measures to ensure all residents were considered in terms of age, mobility and other wider needs and these were marked accordingly

8.0 EQUALITIES

8.1 As this type of work will or may have the potential to adversely affect specific groups, all bidders were asked to consider all aspects of unfair discrimination, vulnerable residents, disability, long term illness, elderly and frail residents, residents with learning disabilities, or wider poverty issues and asked to draw up an action plan to deal with any issues which might arise. The results of this were then marked and assessed

9.0 RISKS

9.1

Probability



| | | | | |
|---------------------------|-----------------------|----------------------|----------------|------------------------|
| Very High A | | | | |
| High B | | | | |
| Significant C | | | | |
| Low D | | 1,3 | 2 | |
| Very Low E | | | | |
| Almost Impossible F | | | | |
| | IV Neg- ligible | III Marg- inal | II Critical | I Catast- rophic |

Impact

| Risk No. | Description |
|----------|---|
| 1 | Failure to keep communal areas and walkways clean |
| 2 | Resident dissatisfaction |
| 3 | Loss of reputation to Melton Borough Council |

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report

11.0 CONSULTATION

11.1 The procurement process was carried out in direct consultation with Welland Procurement and all bids were marked and approved by TFEC members who sat on the marking panel

12.0 WARDS AFFECTED

12.1 Melton Newport, Melton Sysonby, Burton and Dalby, Ab kettleby

Contact Officer

Richard Whitmore

| | |
|--------------------|--|
| Date: | 9March 2015 |
| Appendices : | Appendix 1 – Score Sheet |
| Background Papers: | None |
| Reference : | X:\Cttee, Council & Sub Cttees\CSA\2014.15\180315\HR-Communal Cleaning |

Appendix 1

| Price 60% | Cleanjeans | Score | Contractor C | Score | Contractor E | Score |
|----------------------|------------|-------|--------------------|-------|--------------|-------|
| Communal | 24,360.00 | 26% | 30,929.00 | 21% | £10,591.88 | 60% |
| Window | 6,960.00 | 13% | £5,346.00 | 17% | £1,450.00 | 60% |
| Sharpes / Body Fluid | £230.00 | 13% | No Price Submitted | 0% | £50.00 | 60% |
| | 31,550 | 23% | 36,525 | 20% | 12,091 | 60% |
| | | | | | | 60% |

| Method Statement 40% | Cleanjeans | Score | Contractor C | Score | Contractor E | Score |
|----------------------|------------|-------|--------------|-------|--------------|-------|
| Total % | 120/135 | 89% | 84/135 | 62% | 84/135 | 62% |
| | | 40% | | 29% | | 29% |

| References | | | | | | |
|------------------|------------|-------|--------------|-------|--------------|--------------------|
| Code | Cleanjeans | Score | Contractor C | Score | Contractor E | Score |
| Good = 3 | Ref | 3 | Ref | 3 | Ref | Declined reference |
| Some Concerns= 2 | Ref | 3 | Ref | 3 | Ref | Declined reference |
| Poor =1 | Ref | 3 | Ref | | Ref | Declined reference |
| | | | | | | |
| TOTAL | | 30% | | 20% | | 0% |