



# THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

## DECISION RECORD FORM

**REQUEST:** For PCC approval.

**Title:** Procurement Report for the Provision of Cleaning Services

**Executive Summary:**

Following an EU Procurement Exercise in 2011, the Policy and Resources Panel approved the award of a five year contract for Cleaning Services from April 2012. This contract delivered savings of £306k over the contract term compared to the previous contract arrangement.

During the term of the contract, the Estate has changed and the contract has flexed with these changes.

In the final year of the contract following the PCC's commitment to the Living Wage, the contract was varied to ensure that all employees who work on the Cleveland contract were paid the Living Wage opposed to minimum wage.

The current contract for Cleaning Services expires on 31<sup>st</sup> March 2017.

A review of the specification has been carried out to ensure that it continues to meet the needs of the organisation and will offer value for money. This review has been carried out in conjunction with Estates and the national working group as part of the Collaborative Law Enforcement Programme (CLEP), set up to standardise in order to deliver savings.

In order to ensure that a new contract has the ability to flex with the changing estate, (particularly with the introduction of the Learning and Development Centre in Grangetown and relocation and reduction of the number of square meters of Police HQ), the specification review ensured that it included a property 'drop in – drop out' clause.

An open tender was carried out using EU Supply as the tender portal, advertising the contract in Contract Finder and OJEU as per the Public Procurement Regulations 2015.

The contract term advertised is a 3 year contract with an option to extend for a further 2 years.

Seven organisations submitted a response by the closing date of 12 Noon on 20<sup>th</sup> February 2017.

The evaluation team, evaluated the seven bids in line with the evaluation criteria, as per the below:

Bidder 1 – 45.1%

Bidder 2 – 60.8%

Bidder 3 – 62.8%

Bidder 4 – 92%

Bidder 5 – 21.7%

Bidder 6 – 58.8%

Bidder 7 – 65.8%

**Decision:**

Note the procurement method, analysis used and the recommendation put forward by the Evaluation Team.

Approve Bidder 4 as the best value solution to deliver Cleaning Services throughout Cleveland Police's property portfolio.

**OPCC Lead Officer:** Michael Porter

**Contractor Details (if applicable):** Mitie

**Implications:**

Has consideration been taken of the following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(If yes please provide further details below)**

**Decision Required – Supporting Information**

**Financial Implications:** (Must include comments of the PCC's Chief Finance Officer where the decision has financial implications)

The current contract cost for 2016/17 is £233,421.

The budget for 2017/18 is £227,500.

Bidder 4 has submitted a fixed price cost for the full 5 year contract term, with the exemption of indexation in relation to Living Wage Rises, NI Increases and Auto Enrolment Pension movements.

The annual contract price submitted by Bidder 4 is £233,671.05; therefore the total contract price is £1,168,355.25 for the 5 year term.

The contract price submitted by Bidder 4 is £250.05 more expensive per annum than the current contract and £6,171.05 more expensive per annum than the allocated budget for 2017/18.

**Legal Implications:** (Must include comments of the Monitoring Officer where the decision has legal implication)

Having read this report and having considered such information as has been provided at the time of being asked to express this view, the Chief Executive is satisfied that this report does not ask the PCC to make a decision which would (or be likely to) give rise to a contravention of the law.

**Equality and Diversity Implications**

Bidder 4 demonstrates a good approach to staff management and communication plan. There are no diversity & equal opportunities implications associated with the award of this contract.

**Human Rights Implications**

There are no Human Rights implications associated with the award of this contract.

**Sustainability Implications**

Bidder 4 has in place a fully integrated sustainable approach in delivering contract requirements. This will be delivered by the use of innovative cleaning methodologies, people engagement, and sustainable KPI measurement.


**Risk Management Implications**

There is no risk involved in the award of this contract. The recommended bidder has in place a full mobilisation set up for the commencement of this contract.

**OFFICER APPROVAL**

**Monitoring Officer**

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed  Date 14/3/17

**Police and Crime Commissioner:**

The above request HAS my approval.

Signed  Date 15/3/17



## **Report of the Chief Constable to the Police and Crime Commissioner for Cleveland – February 2017**

**Status: For Decision**

### **Procurement Report for the Provision of a Cleaning Services**

#### **1. Purpose**

- 1.1 Following an EU Procurement Exercise in 2011, the Policy and Resources Panel approved the award of a five year contract for Cleaning Services from April 2012. This contract delivered savings of £306k over the contract term compared to the previous contract arrangement.
- 1.2 During the term of the contract, the Estate has changed and the contract has flexed with these changes.
- 1.3 In the final year of the contract following the PCC's commitment to the Living Wage, the contract was varied to ensure that all employees who work on the Cleveland contract were paid the Living Wage opposed to minimum wage.
- 1.4 The current contract for Cleaning Services expires on 31<sup>st</sup> March 2017.
- 1.5 A review of the specification has been carried out to ensure that it continues to meet the needs of the organisation and will offer value for money. This review has been carried out in conjunction with Estates and the national working group as part of the Collaborative Law Enforcement Programme (CLEP), set up to standardise in order to deliver savings.
- 1.6 In order to ensure that a new contract has the ability to flex with the changing estate, (particularly with the introduction of the Learning and Development Centre in Grangetown and relocation and reduction of the number of square meters of Police HQ), the specification review ensured that it included a property 'drop in – drop out' clause.

#### **2. Recommendations**

- 2.1 Note the procurement method, analysis used and the recommendation put forward by the Evaluation Team.
- 2.2 Approve Bidder 4 as the best value solution to deliver Cleaning Services throughout Cleveland Police's property portfolio.

### 3. Background

- 3.1 An open tender was carried out using EU Supply as the tender portal, advertising the contract in Contract Finder and OJEU as per the Public Procurement Regulations 2015. An open tender is a competitive exercise whereby a tender is advertised and all bidders whom express an interest can access the tender documentation and submit a bid.
- 3.2 The contract term advertised is a 3 year contract with an option to extend for a further 2 years.
- 3.3 During the Tender process all interested parties were invited to several of the operational properties in order to gain an overview of the Estate.
- 3.4 Seven organisations submitted a response by the closing date of 12 Noon on 20<sup>th</sup> February 2017.
- 3.1 The evaluation team, evaluated the seven bids in line with the evaluation criteria, as per the table below:

Criteria	Weighting	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6	Bidder 7
Price	40%	21.1%	23.8%	32.3%	40%	18.2%	29.3%	31.3%
Service Delivery	20%	6%	12%	8%	18%	0%	12%	8%
Contract Delivery	5%	1.5%	3.5%	1.5%	4.5%	0.5%	2%	1.5%
Staff Resource	15%	4.5%	9%	6%	13.5%	1.5%	6%	9%
Technical and Professional Ability	10%	7%	6%	6%	9%	1%	6%	9%
TUPE Transfer	5%	3.5%	3.5%	4.5%	3.5%	0.5%	1.5%	3.5%
Quality Assurance	5%	1.5%	3%	4.5%	3.5%	0%	2%	3.5%
<b>Total</b>	<b>100%</b>	<b>45.1%</b>	<b>60.8%</b>	<b>62.8%</b>	<b>92%</b>	<b>21.7%</b>	<b>58.8%</b>	<b>65.8%</b>

- 3.5 During the evaluation it became evident that some of the bidders responses were not to the required standard in terms of their quality response and raised concerns of their ability to deliver the contract. Bidder 4 that presented the most cost effective solution with a very detailed plan and a very comprehensive understanding of the contract requirements.
- 3.6 Subject to the Police and Crime Commissioner's final approval, the new contract is due to commence on 1<sup>st</sup> April 2017.

## **4. Implications**

### 4.1 Finance

4.1.1 The current contract cost for 2016/17 is £233,421.

4.1.2 The budget for 2017/18 is £227,500.

4.1.3 Bidder 4 has submitted a fixed price cost for the full 5 year contract term, with the exemption of indexation in relation to Living Wage Rises, NI Increases and Auto Enrolment Pension movements.

4.1.4 The annual contract price submitted by Bidder 4 is £233,671.05; therefore the total contract price is £1,168,355.25 for the 5 year term.

4.1.5 The contract price submitted by Bidder 4 is £250.05 more expensive per annum than the current contract and £6,171.05 more expensive per annum than the allocated budget for 2017/18.

4.1.2 If Bidder 4 is accepted as the preferred supplier they have recommended that on award of contract that they carry out a review to look at cost in relation to machinery and equipment and areas of buildings that are being unoccupied and decommissioned.

4.1.3 The contract is also subject to a property 'drop in – drop out' clause, therefore the Estates rationalisation project and the re-location of Police HQ could potentially deliver additional long term financial savings.

### 4.2 Legal

The contract uses Industry Terms and Condition and so no implications associated with award of this contract.

### 4.3 Diversity & Equal Opportunities

Bidder 4 demonstrates a good approach to staff management and communication plan. There are no diversity & equal opportunities implications associated with the award of this contract.

### 4.4 Human Rights Act

There are no Human Rights implications associated with the award of this contract.

### 4.5 Sustainability

Bidder 4 has in place a fully integrated sustainable approach in delivering contract requirements. This will be delivered by the use of innovative cleaning methodologies, people engagement, and sustainable KPI measurement.

### 4.6 Risk

There is no risk involved in the award of this contract. The recommended bidder has in place a full mobilisation set up for the commencement of this contract.

## **5. Conclusions**

- 5.1 The procurement process has been completed in line with European Legislation.
- 5.2 The evaluation has been conducted in a fair, comprehensive, thorough and transparent process.
- 5.3 The ITT submission of Bidder 4 has fully met the specification required by Cleveland Police for the Cleaning Services.
- 5.4 The evaluation team are fully confident that the procurement process has achieved the best value for money and the new contract will provide an efficient, responsive and cost effective service.

### Evaluation team:

Procurement Category Leader – Cleveland Police

Estates and Facilities Officer – SopraSteria (on behalf of Cleveland Police)

Estates and Facilities Officer - SopraSteria (on behalf of Cleveland Police)