

Authority to Procure – Cleaning Contract

Housing Committee Tuesday, 19 March 2024

Report of: Head of Housing

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

This report seeks Committee approval to procure a contract for the cleaning of communal areas at flats and sheltered housing sites, public conveniences, Queens Park and Warren Lane Depots, Queens Park Pavilion and Valley Sports Park and the Council offices.

This report supports the Council's priority of: Building a better Council

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Recommendation to Committee:

- A) That Committee approves the procurement of a single contract for the cleaning of communal areas at flats and sheltered housing sites, public conveniences, Warren Lane and Queens Park Depots, Queens Park Pavilion, Valley Sports Park and the Council offices in accordance with the Council's Contract Standing Orders and the Public Contract Regulations 2015.

- B) That delegated authority be granted to the Director of Resources and Deputy Chief Executive in consultation with the Chairman and Vice Chairman of the Committee to award the contract to the most economically advantageous tenderer.

- C) That the Director of Resources and Deputy Chief Executive be authorised to enter into all necessary agreements with the preferred contractor to provide a building cleaning service within the common and communal areas of the councils housing stock and other areas as set out in recommendation a.
- D) That delegated authority be granted to the Head of Legal and Monitoring Officer to execute and enter into all necessary contractual agreements.

Reason for recommendation:

In March 2019 the Committee awarded a contract for the cleaning of estates (the communal areas at flats and sheltered housing sites), void properties and the Council offices, for an initial two-year period from 1st April 2019 to Wettons Cleaning Services Ltd. The option to extend for a further two years was exercised in 2021, ending on 31 March 2024. Authority was sought via the Corporate Procurement Board to further extend the contract until 30 September 2024 to allow for the procurement of a new contract. No further extensions of the existing contract are being sought and a new contract should be procured.

Tenants and Leaseholders and the Council require the cleaning service they receive to be consistently of good quality, which means the contractor meeting the defined service specifications whilst also providing value for money. Procuring a new cleaning provider for its housing stock is one that the housing service team will need to make in consultation with its residents.

Introduction and background

- 1 Procurement of the contract in 2019 was completed by way of Framework run by Surrey County Council.
- 1.1 The Council spends approximately £269,000 per annum on the cleaning of estates, void properties, Council offices depots, pavilions and public conveniences.
- 1.2 The largest proportion of the contract is for estates cleaning that seeks to maintain a clean appearance to common areas within blocks of flats including the bin stores and refuse rooms, communal lounges and communal laundries. The cleaning regime covers walls, staircases, doors

and doorways, furniture, light fittings, window and door glass. The work is carried out either, weekly, fortnightly or monthly depending on the site.

- 1.3 The cost of providing estates cleaning service is recovered from tenants and leaseholders who live on estates and sites that receive the service by way of a service charge or leaseholder recharges.

2 Procurement

- 2.1 Following a review of the requirements, it is recommended that the procurement of the cleaning contract should be based on an award to a single contractor. Given the volume and quantity of work it is not felt that there is any advantage in disaggregating this contract.
- 2.2 The value of this contract is above the OJEU threshold for service contracts of £189,330 and the procurement exercise must comply fully with the EU procurement regulations.
- 2.3 The most efficient procurement route to ensure compliance with OJEU regulations is to procure via an existing Framework. There are numerous Frameworks available and all major cleaning contractors are on multiple Frameworks.
- 2.4 It is proposed therefore to procure a contractor from an existing Framework on a three plus two-year contract. A 'mini competition' would be undertaken with all the suppliers on the chosen Framework to ensure a competitive price is achieved.
- 2.5 The evaluation of tender submissions is governed by the rules of the chosen Framework but it is intended that price will form the largest part of the evaluation criteria followed by quality.
- 2.6 The proposed start date would be 1 October 2024.

Other options considered

- 3 The current contract includes the cleaning of void properties prior to re-let. As part of the continuous improvement work being undertaken within the Housing Service and across the Council, a review into how void properties are managed is underway. This process has highlighted the benefits of outsourcing void maintenance works to either a single contractor or by way of Framework. Therefore, the voids contract, when procured, will include the provision of cleaning in void properties, removing them from this wider cleaning contract. It is anticipated that the new voids contract will commence prior to the end of the existing contract.

Consultation

- 4 Section 20 of the Landlord and Tenant Act 1985 (As Amended) stipulates

that leaseholders paying variable service charges must be consulted before a landlord carries out qualifying works or enters into a long-term agreement for the provision of services. The requirements in the Regulations are defined under three headings:

- Qualifying works
- Qualifying long-term agreements
- Qualifying works under long-term agreements

4.1 For the purpose of this procurement it is the qualifying long-term agreement heading that is relevant. A qualifying long-term agreement is an agreement entered into by the landlord with a wholly independent organisation or contractor for a period of more than 12 months.

4.2 Landlords must consult where the amount payable by any one contributing leaseholder under the agreement in any accounting period exceeds £100. If consultation is not undertaken, the Council may not be able to recover more than £100 per leaseholder in any accounting period towards the costs under the agreement. Examples of qualifying long-term agreements include:

- cleaning and gardening;
- insurance;
- utilities; and
- management agency agreements.

Key implications

Comments of the Chief Finance Officer

The contract costs budgets sit in both the HRA and the General Fund, Strategy and Resources. The budgets are built with consideration to annual indexation levels therefore it is expected that any new contract will keep within the budget envelopes as already set. Procuring a single contract should increase economies of scale, leading to better value and a more efficient contract management approach.

Comments of the Head of Legal Services

The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." By following due process through the UK compliant procurement exercise, upon entering into the cleaning contract as set

out in this report, the Council will have observed its statutory duties, including in regard to the duty to obtain best consideration.

The proposed procurement will also be subject to the Public Contracts Regulations 2015 ("PCRs") as the estimated value is above the financial threshold for public works and public services under the PCRs. The Procurement team will need to ensure that procedures are compliant under the PCRs and the Council's Contract Standing Orders.

The contract documentation will need to be checked and finalised either by the Council's Legal Services team and/or its external legal advisors in consultation with relevant authorised officers.

Equality

Whilst there are no actions which arise directly from this report, Officers have regard to s149 (1) of the Equality Act in that the Council must have due regard, in the exercise of its functions, (and this Committee must, as the decision maker in respect of the proposed decision, have due regard) to the need to:

a) Eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act.

b) Advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them.

c) Foster good relations between persons who share relevant protected characteristics and persons who do not share them. Officers will complete a full Equalities Impact Assessment on the detailed service specification, once we get to that stage.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

None

Background papers

None

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