



**Executive  
23 May 2011**

**Report from the  
Director of Children and Families**

Wards Affected:  
ALL

**Authority to invite tenders for a framework agreement for  
the provision of cleaning services to Brent schools**

**1.0 Summary**

- 1.1 This report concerns the procurement of a framework agreement for cleaning services for schools. This report seeks authority to invite tenders for a Cleaning Framework Agreement to commence on 2<sup>nd</sup> January 2012 as required by Contract Standing Orders 88 and 89.

**2.0 Recommendations**

- 2.1 That the Executive gives approval to the pre-tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 4.1 of this Report.
- 2.2 That the Executive gives approval to officers to invite tenders and evaluate them in accordance with the approved evaluation criteria referred to in paragraph 2.1 above.

**3.0 Detail**

- 3.1 There are currently 82 schools in Brent of which 5 are Academies. The 77 maintained Schools are made up of 59 primary, 4 nursery, 10 secondary and 4 special schools. There is no formal overarching agreement in place for cleaning services for schools in Brent. Presently there are a number of in house operations, a large number of rolling contracts which in the majority of cases exceed both Contract Standing Order and EU thresholds for competitive tendering and also isolated examples of formal tendering processes compliant with EU Regulations.
- 3.2 In the majority of cases, schools have agreed arrangements with local or national suppliers on 12 month rolling contracts, however aggregation rules mean that when these arrangements have been in place for two or three

years, the threshold has been exceeded and formal tendering must be undertaken.

- 3.3 Where there is an in house operation, there is no formal requirement to tender, however the opportunity to outsource a non-core activity such as cleaning would reduce time spent by headteachers and Bursar's on supervision.
- 3.4 During 2010, as part of its national Value for Money ("VFM") programme the Department for Education funded workshops for schools nationwide to establish 'quick wins' in procurement of goods and services as well as opportunities for longer term contracts with the objective of realising savings.
- 3.5 The intention was to fund one day of free VFM consultancy for each school delivered by Tribal Avail Consultancy (Avail) in order to advise individual schools on possible opportunities for realising savings. However, Brent agreed a more strategic approach where instead of each school applying for their free day's allocation Avail would work with the council and facilitate a number of workshops for all schools. The objective was to identify opportunities for schools to collaborate on procuring goods and services thereby offering the potential to generate efficiencies and economies of scale. The result of these workshops was the identification of an opportunity for a collaborative procurement to develop a framework agreement for cleaning services that would be available to all schools within the Borough.
- 3.6 Officers therefore wish to proceed with the procurement of a framework agreement for cleaning services for schools. Presently two secondary schools, Kingsbury High School and Alperton Community School, have both agreed to take part in a joint exercise to combine their cleaning requirements and to call-off cleaning services from such framework agreement. The intention is then to make the framework available to any school thereafter. Through the Avail workshops it was clear that many other schools were interested in joint procurement and once the more difficult work of establishing the framework has been completed it is anticipated that other schools may want to join.
- 3.7 It is clear that even with a relatively short contract term, the value of a new framework agreement for cleaning services is above the threshold for High Value contracts and thus the procurement will need to be tendered in accordance with the Council's relevant Standing Orders and Financial Regulations as well as the EU Procurement Regulations.
- 3.8 As part of the preparatory process, Avail conducted 'soft market testing' without commitment interviews with a number of major suppliers in the cleaning market and requested estimates on contract price based on current requirements. Four of the five supplies approached provided indicative prices that were lower than current costs, however it should be noted that TUPE information could not be supplied at this time.
- 3.9 Based on this market testing, together with the council's Procurement Team's own knowledge of the market and the needs of the schools, officers

recommend the establishment of a framework agreement in accordance with the pre-tender consideration set out in paragraph 4.1 below.

#### 4.0 Pre Tender Considerations

4.1 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response
(i)	The nature of the service.	A single provider framework agreement for the provision of cleaning services to schools located within the Borough.
(ii)	The estimated value of services purchased by Brent	The current combined expenditure of the two schools wishing to call-off under the framework is approximately £350k per annum giving a total value of £1.4m over a four year period, however this will be greatly increased as other schools call off under the framework agreement.
(iii)	The contract term	A framework agreement of four year duration from 2 <sup>nd</sup> January 2012.
(iv)	The tender procedure to be adopted.	A two stage restricted tender process in accordance with the Council's Standing Orders and EU Regulations.
(v)	The procurement timetable	<p>Adverts placed – 27 May 2011.</p> <p>Expressions of interest returned – 11 July 2011.</p> <p>Shortlist drawn up in accordance with the Council's approved criteria – by 27 July 2011.</p> <p>Invitation to tender – 29 July 2011.</p> <p>Deadline for tender submissions -12 September 2011.</p> <p>Panel evaluation and shortlist for interviews (if necessary) – by 19 September 2011.</p> <p>Interviews and contract decision – by 3 October 2011.</p> <p>Report recommending contract award circulated internally for comment - October 2011.</p>

		Executive approval - November 2011.  Framework agreement and call-off contract start date - 2 <sup>nd</sup> February 2012.
(vi)	The evaluation criteria and process	The shortlist will be drawn up in accordance with the Council's Contract Management and Procurement Guidelines namely the prequalification questionnaire and thereby meeting the Council's financial standing requirements, health, safety and environmental standards and technical expertise. The panel will evaluate the tenders to establish the Most Economic Advantageous Offer based upon the following criteria: <ul style="list-style-type: none"> <li>❖ Approach to service delivery and approach to ensuring standards are achieved.</li> <li>❖ Development of good working relationship with the Council: Contract Management including organisation and management proposals.</li> <li>❖ Price</li> </ul>
(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the proposed framework agreement and call-off contract, although if the contractor performs poorly this could cause delays and possible costs to the Schools. These risks will be reduced by employing a carefully managed and full procurement process, as set out in this Report.
(viii)	The Council's Best Value duties	The Council has a duty under Best Value to secure cost-effective and efficient services that meet the needs of the Borough's customers.
(ix)	Any staffing implications, including TUPE and pensions.	See section 8 of this Report.
(x)	The relevant financial, legal and other considerations.	See sections 5, 6 and 7 of this Report.

## 5.0 Financial Implications

5.1 The market testing carried out by Avail suggested that when both schools collaborated suppliers' would reduce their prices by up to 5%. The lowest price indication suggested that a combined contract could save the two schools £50,000 pa. Further VFM savings/efficiencies would be available to one school as direct management and supervision would be outsourced. The financial benefits would increase as more of Brent schools took advantage of the framework agreement. Cleaning costs are met directly by schools from

their delegated budgets and any savings achieved would potentially release funds that schools could then direct towards learning and teaching.

## **6.0 Legal Implications**

- 6.1 The estimated value of the framework agreement for cleaning services over its lifetime is in excess of £500k and therefore the procurement and award of the framework agreement is subject to the Council's Contract Standing Orders and Financial Regulations in respect of High Value Contracts.
- 6.2 The estimated value of the framework agreement over its lifetime is higher than the EU threshold for Services under the Public Contracts Regulations 2006 ("the EU Regulations"). Cleaning services are classed as Part A Services under the EU Regulations and therefore the framework agreement must be procured fully in accordance with the EU Regulations, to include advertising the framework agreement in the Official Journal of the European Union. The EU Regulations also require that the duration of a framework is no more than 4 years save in exceptional circumstances.
- 6.3 Once the tendering process is undertaken, Officers will report back to the Executive in accordance with Contracts Standing Orders, explaining the process undertaken in tendering the framework agreement and recommending award.

## **7.0 Diversity Implications**

- 7.1 Officers have screened the proposals set out in this Report and consider that there are no significant diversity implications.

## **8.0 Staffing/Accommodation Implications (if appropriate)**

- 8.1 If a provider is appointed to the framework and schools calling off from the framework are currently using a different provider, this may require staff to transfer pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 from the current contractor to the contractor appointed under the framework.
- 8.2 A subsequent report to the Executive seeking authority to award the framework agreement and call-off contract will advise further on any potential staffing or accommodation implications in the future.

### **Background information:**

- i. DCSF Report: "Securing our Future: Using our Resources Well", which can be located at:  
<http://publications.teachernet.gov.uk/eOrderingDownload/Securing-our-future.pdf>
- ii. Brent Council's Improvement and Efficiency Action Plan.

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