



**Executive**  
13<sup>th</sup> November 2006

**Report from the Director of  
Finance and Corporate Resources**

For Action

Wards Affected:  
ALL

**Authority to Tender Municipal Buildings Cleaning Contract**

Forward Plan Ref: F&CR-06/07-23

**1.0 Summary**

- 1.1 This report concerns the future provision of cleaning services to the Council in respect of fifteen municipal buildings.
- 1.2 This report requests approval to invite tenders in respect of the proposed cleaning contract for all fifteen municipal sites starting 4th June 2007 as required by Contract Standing Orders 88 and 89.

**2.0 Recommendations**

- 2.1 The Executive to give approval to the pre-tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 3.8 of the report.
- 2.2 The Executive to give approval to officers to invite tenders and to evaluate them in accordance with the approved evaluation criteria referred to in paragraph 2.1 above

**3.0 Detail**

- 3.1 The cleaning of the fifteen municipal buildings is currently undertaken by different contractors under various contracts – cleaning services for nine of the sites are provided by one contractor under one contract with the remaining six sites being cleaned by a number of other contractors.
- 3.2 The cleaning services entail the professional cleaning of municipal buildings during the day Monday to Friday (and Saturday for one site) and include the

provision of staff, expertise, all relevant cleaning equipment and materials necessary.

- 3.3 The current contract for the cleaning of nine municipal sites noted in the table below was tendered in 2001 under the EU Procurement Legislation.

Quality House	Brent Town Hall & Annexe	Brondesbury Road
Pyramid House	Elizabeth House	Hampton House
Brent House	Mahatma Gandhi House	London Road

This contract started on 2 July 2001 and taking into account agreed extensions now terminates at the end of May 2007. Therefore this contract is now due for re-tendering.

- 3.4 Since the cleaning contract for the nine sites noted above was last tendered in 2001 other cleaning contracts were entered into with various cleaning companies for a further six municipal buildings – these cleaning sites are noted below and now form part of the cleaning services contract portfolio managed by the Property & Asset Management Unit. The additional sites are:

Brent House Annexe	Douglas Avenue	Cottrell House
Triangle House	Challenge House	Kingsbury One Stop Shop

- 3.5 The contracts for these extra sites were each for a fixed 12-month period. No formal contracts were entered into but official orders were issued by the Council. These contracts were subsequently renewed on a year by year basis.

- 3.6 The intention now is to tender all of the cleaning services contracts in order to ensure that the Council complies with the EU Procurement Legislation as well as the Council's Constitution and Contract Standing Orders. In addition, tendering the main contract provides an opportunity for the Council to consolidate the management of the cleaning services contracts by tendering the cleaning services for all fifteen municipal building sites as one contract. It is not proposed to seek and/or accept tenders for part or parts of the Council's new cleaning service requirements so in future the whole service will be provided by one contractor.

- 3.7 It is intended that the services specification for the new cleaning contract will be extended:

- To address the need for the cleaning contractor to adhere to environmental considerations when providing the service, such considerations to include the Council's Corporate Environmental Policy, Going Green and Fair Trade agenda; and

- To include stipulations for the provision of emergency cleaning call-outs in relation to the control of hazardous occurrences/biological agents, for inclusion within Property & Asset Management Unit's Business Continuity Plans for the named sites included in the contract.

Further, it is intended that the Conditions of Contract will provide a facility to broaden the cleaning services specification to include additional sites or to delete existing sites depending upon the Council's future accommodation strategy and the outcome of the Council's Civic Centre proposals.

3.8 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	Cleaning of 15 Municipal Sites (including Window Cleaning)	
ii)	The estimated value	£1.1 million for the 3 year period £1.8 million for the 3 year period including the optional two year extension.	
iii)	The contract term	The initial contract period will be 3 years with an option for the Council to extend up to a further 2 years	
iv)	The tender procedure to be adopted	Restricted Procedure in accordance with the EU Procurement Legislation	
v)	The procurement timetable	<b>Indicative dates are:</b>  Adverts placed in Official Journal of EU  Expressions of Interest returned  Shortlist drawn up in accordance with the Council's approved criteria  Invite to tender  Deadline for receipt of tender submissions	17 <sup>th</sup> November 2006  28 <sup>th</sup> December 2006  From 2 <sup>nd</sup> January 2007  12 <sup>th</sup> January 2007  22 <sup>nd</sup> February 2007

		<p>Panel evaluation and interviews</p> <p>Panel decision</p> <p>Report recommending contract award circulated internally for comment</p> <p>Executive Approval</p> <p>Mandatory 10 calendar day standstill period – notification issued to all tenderers and additional debrief of unsuccessful tenderers</p> <p>Finalise contract formalities</p> <p>Contract start date</p>	<p>From 26<sup>th</sup> February 2007</p> <p>2<sup>nd</sup> March 2007</p> <p>7<sup>th</sup> March 2007</p> <p>16<sup>th</sup> April 2007 From 17<sup>th</sup> April 2007</p> <p>30<sup>th</sup> May 2007</p> <p>4<sup>th</sup> June 2007</p>
vi)	The evaluation criteria and process	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines, namely the prequalification questionnaire, and will thereby meet the Council's financial standing, technical capacity and technical expertise requirements. The panel will evaluate the tenders against the following criteria:</p> <p>The most economically advantageous offer assessed by reference to:</p> <ul style="list-style-type: none"> <li>▪ Quality control and assurance.</li> <li>▪ Quality of staff management</li> <li>▪ Value for Money - Price</li> <li>▪ Affordability - Against budget</li> <li>▪ Experience of and technical ability to supply these services in the form required</li> <li>▪ Environmental criteria in regards to contract operation and chemicals and equipment used</li> <li>▪ Flexibility in service provision</li> <li>▪ Compliance with appropriate legislation</li> <li>▪ References and Reference Sites</li> <li>▪ Approach to Service Provision</li> </ul>	

		The contract will be awarded to the most economically advantageous offer – a decision to be made by the tender evaluation panel made up of representatives from the Property & Asset Management Unit, the Environmental Projects and Policy Team, the Financial Services Unit and the Procurement and Risk Management Unit.
vii)	Any business risks associated with entering the contract	No specific business risks are considered to be associated with entering into the proposed contract. Financial Services and Legal Services have been consulted concerning this contract.
viii)	The Council's best value duties	Review of service provision is in line with Best Value recommendations. Including the consolidation of contracts to ensure consistent quality of service provision through monitoring of the new contract.
ix)	Any staffing implications, including TUPE and pensions	Potential staffing implications arising from the tendering of this contract, in particular TUPE issues, are outlined in section 5 below.
x)	The relevant financial, legal and other considerations	See sections 4 and 6 below.

3.9 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

#### **4.0 Financial Implications**

4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 or works contracts exceeding £1 Million shall be referred to the Executive for approval to invite tenders in respect of other matters identified in Standing Order 90.

4.2 The estimated value of this services contract is £1.1 million, calculated over a three year period and 1.8 million with the optional two year extension included.

4.3 It is anticipated that the cost of the new cleaning services contract will be funded from the 2007/8 and subsequent budgets. The cost forms part of the service charges to units occupying these premises across the Authority.

4.4 The cleaning budget held by Property and Asset Management is aggregated with other building costs and recharged as a service charge to individual units (tenants) occupying space within the fifteen buildings.

## **5.0 Staffing Implications**

5.1 This service is currently provided by external contractors. Therefore there are no implications for Council staff arising from the tendering of the Council's municipal building cleaning services contracts.

5.2 It is likely that the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") will apply to the new contract in respect of the transfer of services between external contractors. The two-tier workforce guidance set out in the 2003 Code of Practice on Workforce Matters may also apply if at the date the new contract commences there are former Brent staff who transfer to the new contractor as a result of TUPE. This is a possibility as there are currently 5 former Brent staff employed by the current cleaning contractors under the 2001 contract. Therefore, suitable Conditions of Contract will be drafted accordingly, having regard to Council policy requiring the protection of the pension rights of former Brent staff when transferring to a private contractor and to which aspects of the two-tier workforce guidance are considered likely to apply to achieve Best Value in this tendering process.

## **6.0 Legal Implications**

6.1 The estimated value of the proposed cleaning services contract is higher than the EU threshold for Services and the nature of these services means that the contract is classified as a Part A services contract by the Public Contracts Regulations 2006 ("the EU Regulations"). The tendering of the services is therefore governed in full by the EU Regulations.

6.2 In addition, the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts apply as the estimated value of the contract exceeds £500,000.

6.3 Consolidating the cleaning services requirements of the Council and tendering them under one contract will be in accordance with the EU Regulations' aggregation rule.

6.4 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contract and recommending award.

6.5 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar day standstill period imposed by the EU Regulations before the contract can be awarded. The requirements include notifying all tenderers in

writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request.

The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

## **7.0 Diversity Implications**

7.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

### **Background Papers**

- Current contract documentation and correspondence files.

### **Contact Officers**

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