

**NORTH SOMERSET COUNCIL
DECISION**

DECISION OF: CLLR ASHLEY CARTMAN, EXECUTIVE MEMBER FOR FINANCE & PERFORMANCE
WITH ADVICE FROM: JO WALKER, DIRECTOR FOR CORPORATE SERVICES, MARK RODDAN, HEAD OF STRATEGIC PROCUREMENT SERVICE
DIRECTORATE: CORPORATE SERVICES



DECISION NO: CSD10 2019 / 2020 Scheme

SUBJECT: Combined Commissioning and Procurement Plan for the Provision of Building Cleaning of Children Centres and Nurseries, Tropicana, Bay Café and Somerset Hall

KEY DECISION: YES

BACKGROUND:

It is an employer's duty to protect the health, safety and welfare of their employees and other people who might be affected by their business. Employers must do whatever is practicable to achieve this. The cleaning of our buildings should be considered as a basic requirement.

Children Centres and our Local Authority run nurseries implement statutory duties related to children from birth to 11 years; Early Education & Childcare: Statutory Guidance for Local Authorities February 2018 SEND Code of Practice, Early Years Workforce Strategy, Education Act 2002, Childcare Act 2006, SureStart Statutory Guidance 2013. We work with families with children under 5 years old. Children's centres have a particular focus on vulnerable children and families and these groups will be disproportionately affected and become at risk of poorer outcomes including:

- Children in poverty
- Children with additional needs
- Children with parents under the age of 20 years
- Children on a child protection plan / Children in need / Looked after children
- Children that are BME including Gypsy, Roma Travellers
- Children in families affected by drug and alcohol use
- Children in families that are victims of domestic violence
- Children in families that have health and well-being needs

The service has an important role in Early Help and safeguarding vulnerable children and young people from harm, abuse and neglect.

DECISION:

It is requested that this combined Commissioning / Procurement Plan be approved to proceed, to tender for a provider to provide the Building Cleaning of Children Centre's and

Nurseries (Lot 1) and for the cleaning requirements at the Tropicana (Bay Café, Offices and Event space) and Somerset Hall (Lot 2).

REASONS:

Introduction

The provision of the current cleaning service at the 9 Children Centre's and Nurseries is currently provided by Churchill Cleaning Services following a tender process by the Traded Services team in 2013 where a contract was awarded on a 36m + 36m term. This contract expired at the end of March 2019 and it was agreed following a decision notice to extend the current contract for a 9-month period in order to re procure the new service. It is anticipated that TUPE may apply and Churchill have been contacted to establish.

With regards the Tropicana, there is no existing formal contract for cleaning and to date this has been managed on an ad-hoc basis. Going forward however there is a need for a more consistent, manageable service and therefore this will be procured at the same time as the Children's Centre's and Nursery requirement. It is possible that TUPE will also apply.

Both the Children's Centres and the Tropicana have a regular requirement for cleaning, though the specification of each service will differ due to the nature of the facilities. There is also a need for each of the Clients to contract manage their own areas of responsibility therefore this procurement will take the form of two Lots, each with its own specification and pricing schedule, though it is possible that both Lots could be won by the same provider.

Requirement

Each of the Local Authority maintained Children's Centres and Nurseries have a statutory duty to ensure the cleanliness of their facilities. The current specification of the service is deemed to need some updating, since the last time it was used included all of North Somerset's schools, but on the whole, meets the current needs.

Each Children Centre and Nursery has a specific requirement of hours based on the current contract arrangements and knowledge of the team. Therefore, the requirement for hours per location is very clear. The timings that these buildings are available for cleaning is also very specific and made clear within the specification. In addition to the daily cleaning, for some of the buildings there is the need for a deep clean and external window cleaning, the specification and pricing schedule also reflects this.

The current Children's Centre and Nursery contract costs an estimated £80,000 per year. Recent projections with the incumbent provider suggest that this figure is achievable and as such is the annual budget ongoing. It is possible that there may be some savings to be had as part of the competitive tender process.

Similarly, the Tropicana has a requirement for the cleaning of its offices, the Bay Café and the event space. The specification is in the process of being developed by the Venues, Seafronts and Events Manager and the Procurement Manager. The requirement for the offices and the Bay Café will have a fixed daily requirement with an element of flexibility for the weather, causing a higher need for cleaning in The Bay Cafe, whereas the Event space will be on an as required basis, i.e. pre and post an event being held. The

programme of events will be made available to the tenderers with an understanding that this is subject to change with events being both added and removed. It is estimated that over a 12-month period there will be circa 90 events. We will also provide tenderers the last 12 months' worth of cleaning requirement to give a guide. This will include the splits between the bar area only and the entire event area space being used.

The annual value of this proposed Lot is estimated at £25,000.

Whilst the tender is Lotted, there will be consideration made to savings created by one tenderer winning both Lots, particular with regards to the back-office costs, supply of materials etc.

Both contracts will commence January 2020, this will allow an implementation phase of around 3 months which will enable the TUPE implications to be understood and staff consulted.

Contract Structure and Value

The term of each contract is proposed as 3 years with a 2-year extension available in up to 2 incremental awards.

The total value of the Children's Centre and Nursery building cleaning contract is estimated at £400,000, whilst the total value of the Tropicana (Bay Café, offices and event space) is £100,000 and Somerset Hall building cleaning contract is £25,000. Therefore, the combined value of this contract is estimated at £525,000.

Market

In late 2018, a procurement was run for the cleaning of the Campus facility and associated schools. During the advert phase there were 52 expressions of interest. Following this, the council received 6 formal tender submissions. It is considered therefore that the market for cleaning is relatively strong. Two of the six tender submissions were received from organisations within the North Somerset area, one from a bordering authority and one from a county in the South West. It should also be noted that the incumbent provider to the Children Centre's and Nurseries is not included in the six above but has expressed interest in continuing their involvement.

An advert has been placed on the portal informing the market of our intention and to ensure that we encourage a good number of Providers to enable a competitive process.

The Procurement team are confident that there will be a good level of interest in this contract including both the incumbent provider and the winning provider at the Campus. We anticipate that most tenderers will tender for both Lots and this will be further established through the initial advert.

Route to Market

It is proposed to run an Open Tender process following an OJEU advert. It is the most efficient of procurement processes and, due to the timescales it would be challenging to run anything other than an OJEU Open Tender process.

This process will be run through the Council's procurement portal 'Supplying the South West'.

Timescales

A detailed timetable has been produced by the Procurement team and is available on request. However, a summary of proposed key dates is as follows:

Action	Timing
Advert to the market	30 th May 2019
Commissioning/Procurement Plan signed off	Mid-June 2019
Formal OJEU advert	1 st July 2019
Tender advertised on the portal	4 th July 2019
Tender Closes	6 th August 2019
Evaluation of tenders	August/September 2019
Contract Award	October 2019
Contract Commences	January 2020

Governance

This tender is being managed by the Strategic Procurement Service. The lead internal clients include the Community Family Team Leader, Early Years and the Facilities, Services and Asset Manager for the Tropicana and Somerset Hall.

Due to the value of this procurement, this combined Commissioning Plan/Procurement Plan will require Executive Member sign off and the Contract Award Report will require Director sign off.

Social Value, Sustainability & VCSE

It is recommended that in line with the Guide to Social Value produced by the Strategic Procurement Service that we should build elements of social value into both the specification and 10% of the evaluation criteria should be given to ascertain what social value the contractor can offer to the council.

Any additional offerings from tenderers will improve their quality scores and therefore ability to win the contract and in turn will be added to their contractual KPI's to enable the Contract Manager to assess their progress in this area.

The following prompts will be highlighted within the tender documents for each contractor to consider within their quality response:

- ❖ Increased employment to local people
- ❖ Increased health and wellbeing for all
- ❖ Increased use of local supply chain
- ❖ Stronger local voluntary/community sector
- ❖ Recycling of materials
- ❖ Reducing negative and promoting positive environmental impacts

Evaluation Criteria

It is proposed that a 70/30 price/quality split is used. The rationale for the criteria is based on the following factors:

1. A clear minimum standard for all elements of the service will be set out in the specification which will ensure suppliers understand the requirements of the contract.
2. A scoring threshold on the majority of the quality questions will be introduced. A tenderer who fails to meet the minimum required score for all of those questions would have their tender submission declined. This ensures that the winning tender meets the required minimum standard of quality whilst ensuring the competitive pricing of the contract.

Pre-qualification stage

There are a number of pass/fail requirements as part of the pre-qualification assessment, Selection Questionnaire (SQ). These include:

- Financial Viability
- Health & Safety
- Equalities & Diversity
- Insurances
- References from similar contracts

It is proposed that all suppliers that pass the initial pre-qualification checks will have their remaining tender evaluated for both their price and their qualitative assessment.

Qualitative and pricing Evaluation

Pricing Evaluation – 70%

For evaluating the overall price from each supplier, it is proposed to use the standard cost evaluation method, which is widely used within the Council.

The tender with the lowest total price will receive the maximum score of 100 (weighted at 70%) and the prices of all other tenders will be expressed as a percentage of the maximum score.

Each Lot will be evaluated individually.

Quality Assessment – 30%

The quality evaluation criteria are proposed as:

1. Outline proposal for the service to include:
 - the staffing level at each location
 - organisation structure and local management
 - an understanding of the need for continuous coverage in the event of sickness/staff turnover/transferring of staff between sites
 - How you would respond to emergency cleaning requirements
 - Flexibility of staff and the service (particularly for the Tropicana/Somerset Hall

- Availability of equipment, particularly large pieces of equipment for deep cleans
- What additional resources or services that your organisation provides - **30%**
- 2a.** Previous experience of cleaning in a Children Centre and/or Nursery environment evidenced by a case study of an example of a similar service – **20%**
- 2b.** Previous experience of Office/Café and if able, large scale event space cleaning evidenced by a case study of an example of a similar service - **20%**
- 3.** Experience with TUPE – **15%**
- 4.** Retention, training and recruitment of staff (to include DBS, safeguarding, business continuity plan, H&S and Fire safety) – **15%**
- 5.** Mobilisation of the contract – **10%**
- 6.** Social Value – **10%**

As the tender will be Lotted the nature of the examples at question 2 will differ, whilst the responses to questions 1,3,4,5 and 6 will be accepted for both Lots.

There will be a minimum score requirement of 3 for questions 1-5. Any tender that receives a score of 2 or less for those quality questions will be considered to have failed the tender process.

The scoring matrix used during the procurement process is the following:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met, and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

Pricing Schedule

The majority of both contracts will be based around a fixed cost contract.

The Children Centres and Nurseries will indicate the number of hours required by location, they will also indicate if they require a deep clean and window cleaning service included. For unforeseen cleaning requirements we will also request and evaluate an hourly rate as part of the overall cost of the contract for which a scenario of hours will be used to fairly evaluate.

The Tropicana offices and Bay Café have also indicated the number of hours needed per week to cover the cleaning required. With regards the Event space we have used the last 12 months of events to give the tenderer a guide as to the cleaning requirement here. The spreadsheet of events will indicate whether the entire event space was used, or part of the event space and this will define the estimated hours to clean, post an event. It will also be made clear that this is a flexible need and that events can be added and removed at any time. Any winning provider will need to operate flexibly to meet this need. We will also request and evaluate an hourly rate for unforeseen cleaning requirements.

For tenderers who tender for both Lots, there will be an option to tender for both with the potential for savings made around overheads.

Evaluation Panel

The evaluation panel will consist of:

- Procurement Manager
- Community Family Team Leader, Early Years
- Children's Centre Leader
- Facilities, Services and Asset Manager

Contract Management

The contract will be prepared by the Legal department.

Each of the contracts will be managed by the lead client for each Lot/area of responsibility. A detailed Contract Management Plan will be produced jointly by Procurement and the Contract Manager. Initially formal monthly performance meetings will be held with a view that they will revert to quarterly after an initial period. The Provider, in preparation for these meetings will submit a fully completed report, in a format specified by the Council, no later than one week prior to the meeting. The Provider will supply all necessary information with which to provide a clear, robust understanding of the outcomes achieved through the service.

OPTIONS CONSIDERED:

As part of the procurement process consideration was given to the following options:

- Combine the need into the existing Building Cleaning Contract managed by Liberata
- Procure the two contract requirements as separate Procurement processes
- Procure the two contracts in Lots under one procurement process

- Not procure a new contract and allow the existing contract to expire (children's centre and nurseries) and allow the ad hoc informal arrangements at the Tropicana to continue

The first option with regards the Liberata managed contract was explored by the Children Centre and Nurseries team, but the outcome did not prove financially viable.

As it is essential that there is a cleaning contract in place to maintain the health and safety standards in all of the Councils maintained buildings it would therefore be inappropriate not to run a procurement.

It is a requirement for all council services to be procured and for a formal contract to be in place following a competitive procurement process.

Therefore, it is proposed that for efficiency and potential economies of scale that the two contracted requirements are procured under one procurement process by way of Lotting. This will allow the potential for one provider to win both contracts and offer a financial saving to the council to do so.

FINANCIAL IMPLICATIONS:

Costs:

The current costs to provide cleaning to North Somerset's Children Centres and Nurseries are in the region of £80,000 per annum. Discussions with the incumbent have established that these costs are realistic and therefore achievable.

The current costs of cleaning the Bay Café and the offices is approximately £14,500 per annum. It is estimated that the cost of cleaning the event space is in the region of £13,500 per annum, though it should be noted that the cost of cleaning the Tropicana Event space is not a fixed cost as this will be dependent on the number of events booked in. This is based on the previous 12-month events calendar and associated cleaning requirements.

The current costs of cleaning Somerset Hall are £6,126 per annum.

Funding:

The funding for the Children Centres and Nurseries is met by the existing revenue budgets.

For the Tropicana and Somerset Hall, the costs of cleaning are currently reflected within the overall budgeted position for the two sites, but specific provision will need to be set aside. The level of cleaning required is factored into the costs of hiring the venues and therefore incomes covers the additional costs.

LEGAL POWERS AND IMPLICATIONS

The Procurement lead has liaised with the Legal team in order that a bespoke set of Terms and Conditions will be created.

The Local Authority has a statutory duty to provide Children's Centres and therefore has a legal duty to comply with Health and Safety Regulations. Similarly, the Tropicana which is open to the public also has a legal duty to comply with Health & Safety Regulations.

CONSULTATION

Internal consultation has been carried out with the Children's Centre and Nurseries Team and the Facilities and Assets Manager for the Tropicana and Somerset Hall, all of whom have experience and knowledge of the current service and will be involved in the outcome by managing the contract.

RISK MANAGEMENT

There are a number of risks that have been established and mitigated, they are:

- No or limited interest from the market
- Unaffordable bids are received resulting in no award
- The provision does not meet the expectations of the Council
- The TUPE element is a blocker

The Procurement Service have recently tendered for a cleaning contract for the Campus and received a high level of interest as previously cited. In addition to this the Cleaning market is known to be strong with many providers both in the North Somerset area and beyond.

To ensure the availability of Providers to tender, the Procurement Lead has posted an advert on the portal with a key timeline. Incumbent providers have also been made aware of the opportunities and have expressed interest in the opportunity.

We also intend to offer interested parties the ability to visit some of the buildings such as the Tropicana, Somerset Hall and potentially some Children Centres/Nurseries to ensure the providers understand the sites and their needs.

The Procurement Lead has worked closely with both Clients to develop the specification of the contract and to understand their needs in order to develop the quality assessment of the tender. In addition to the preparation involved in the tender process, the importance of contract managing post award has been discussed and the Procurement Lead will work with both Clients in order to develop a Contract Management Plan post award and will offer support during the first quarter post contract start.

The council is aware that TUPE needs to be carefully managed in order to balance the protection of existing staff with presenting an attractive proposition to potential new providers. It is expected that TUPE will apply from the existing Children's Centre and Nurseries Contract and the incumbent provider has been requested to provide their TUPE implications which will be made available to all interested parties who request it. It is also anticipated that TUPE may apply to the current arrangement with Weston Support Services and to the Churchill contract at Somerset Hall.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment?

Yes, no negative impacts on protected groups were identified.

CORPORATE IMPLICATIONS

None, other than those identified in the report.

BACKGROUND PAPERS

PC111 2018/19 Scheme – Extension to Children’s Centres and Local Authority Run Nurseries Building Cleaning Contract

AUTHOR:

Nicola Scribens, Procurement Manager

SIGNATORIES:

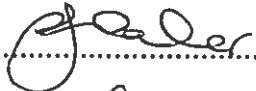
DECISION MAKER: EXECUTIVE MEMBER, CLLR ASHLEY CARTMAN

Signed: 

Title:

Date: 26/7/19


WITH ADVICE FROM: DIRECTOR OF CORPORATE SERVICES, JO WALKER

Signed: 

Title: C.X.

Date: ~~26/7/19~~ 26/7/19

MARK RODDAN, HEAD OF STRATEGIC PROCUREMENT

Signed: 

Title: H.O. PROCUREMENT

Date: 26/7/19

