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**Meeting:** Executive  
**Date:** 13 October 2009  
**Subject:** Building Cleaning Services  
**Report of:** Councillor Rita Drinkwater - Portfolio Holder for Housing  
**Summary:** The report proposes to award the Building Cleaning Services contract (2009 – 2014).

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**Advising Officer:** Julie Ogley – Director of Social Care, Health and Housing  
**Contact Officer:** Basil Quinn – Housing Asset Manager  
**Public/Exempt:** Public – Exempt Appendices B & C  
**Wards Affected:** All wards with Central Bedfordshire Council owned housing stock  
**Function of:** Executive  
**Key Decision** Yes  
**Reason for urgency/ exemption from call-in (if appropriate)** N/A

**RECOMMENDATIONS:**

**That the Building Cleaning Services Contract 2009 – 2014 is awarded to Tenderer C**

*Reason for Recommendations:* To deliver the Building Cleaning Services to Housing General Needs Sheltered Housing and Gypsy/Travellers sites and protect the asset value of the Council's housing stock.

**BACKGROUND**

1. The existing 3 Housing general needs building cleaning contracts end in September 2009 and the Sheltered Housing building cleaning service contracts ends in March 2011.
2. As the majority of building cleaning contracts were due to end this year, it provided the council with the opportunity to rationalise all building cleaning services for the housing stock into one contract.
3. As part of the formation of Central Bedfordshire, Housing Services took over responsibility for the management of the travellers sites and the cleaning of these sites is now included in the new contract.

4. The majority of the contract is funded from the Housing Revenue Account (HRA). A small element i.e. travellers sites cleaning is funded from the General Fund and is within the budget allocation. The rest of the contract is fully funded for the term of up to eight years from the Council's Housing Revenue Account, which is a ring-fenced account separate from the Council's General Fund. There are no financial implications arising from the award of this contract for the Council's General Fund, as these costs will be funded on an on-going basis from the budget allocation.
5. In the medium term, which is a period up to 15 years based on the current funding regime, the Council's Housing Revenue Account is viable. The award of this contract will support the efficient delivery of the Council's investment programme in council homes and the efficiency saving achieved through procurement supports the continued viability of the Housing Revenue Account in the medium term.
6. If approved, the contract will be awarded to **Tenderer C.**
7. The new contract is to be awarded for 5 years with an option for a 3 year extension. The value of the contract is £290,000 per annum, ( Total Tender Costs less part of the Provisional items ) and is the projected budget required to deliver the service .
8. Following advertisement of this contract in the European Economic Communities (EEC) and the local press, a select list of contractors (11) was invited to submit a tender, with a closing date for receipt of tender of noon the 15<sup>th</sup> July 2009.

Only 3 Completed tenders were received as set out below

Tenderer A (see 10. below)	£137441.29
Tenderer B	£301111.93
Tenderer C	£296 428

9. The Standard Award Criteria Evaluation Model is a points system based upon 40% of the marks being awarded for financial submissions and 60% for quality submissions, the criteria being specified at Appendix A, for assessment of quality.
10. For the financial evaluation of this contract, the tender bids ranged from £ 296 ,428 (Lowest) to £301,111.93 (Highest) giving costs difference of £4,683.93 The average tender cost for the tenders considered was £298,769.96. The average cost saving, therefore, if the lowest acceptable tender bid is taken is (£298,769.96.-£296,428.), i.e. £2,341.96 for this contract.

Note:

The originally lowest bid from Tenderer A has been rejected due to the level of resources to be provided being below the minimum threshold criterion.

11. The evaluation team for the Building Cleaning Services contract comprised four officers and two tenants who reviewed the Method Statements from each contractor on Monday 27<sup>th</sup> July 2009.

12. The evaluation panel had concern over the level of resources to be provided by one of the Tenderers for the General Needs Service. All Tenderers were therefore requested to provide supplementary method statement information by 26 August 2009 and the evaluation panel was reconvened on Tuesday 15 September 2009.
13. The evaluation panel recommended that as the level of resources to be provided by Tenderer A for the Housing General Needs part of the contract fell below the minimum threshold criterion, their bid should be rejected.
14. The evaluation team concluded the most economically advantageous tender was submitted by Tenderer C having the highest points awarded.

### **CORPORATE IMPLICATIONS**

15. The award of this contract contributes to Central Bedfordshire Council priority "Managing Growth Effectively".

### **ENVIRONMENTAL IMPLICATIONS**

16. In terms of Central Bedfordshire Council's Corporate Environmental Policy, the recommendations contained in this report will have no significantly adverse environmental implications.

<b>CORPORATE IMPLICATIONS</b>
<p><b>Council Priorities:</b></p> <p>The award of this contract contributes to Central Bedfordshire Council priority "Managing Growth Effectively"</p> <p><b>Financial:</b></p> <p>The current budget provision is split between the Housing Revenue Account (for Sheltered Housing and General Needs) and the Council's General Fund (for Travellers sites). There is currently an annual budget of £256,000 within Housing Management in the HRA, and a budget provision of £20,000 within Housing Management in the General Fund for Travellers sites, making a total of £276,000. The expenditure is fully funded from revenue.</p> <p>The majority of the contract is funded from the Housing Revenue Account. A small element i.e. travellers sites is funded from the General Fund and is within the budget allocation. The rest of the contract is fully funded for the term of up to eight years from the Council's Housing Revenue Account, which is a ring-fenced account separate from the Council's General Fund.</p>

There are no financial implications arising from the award of this contract for the Council's General Fund, as these costs will be funded on an on-going basis from the current budget allocation of £20,000 in Housing Management in the General Fund.

The 5 year contract has an annual value of £290,000, (Total Tender Costs less part of the Provisional items) and is the projected budget required to deliver the service. This is £14,000 over the current combined budget provision with the overspend falling entirely within the HRA. However savings estimated at £50,000 will be made in the first year and a half until the Sheltered Housing part of the contract is due for renewal in April 2011. The remaining 3 and a half years will see additional costs that total approximately £49,000. Therefore over the five year contractual period there is a neutral cost impact.

**Legal:**

This contract has been re-tendered in accordance with the EU Procurement rules and the Council's Corporate Contract Procedures.

**Risk Management:**

It is anticipated that contract expenditure will be kept within the agreed budget limits.

**Staffing (including Trades Unions):**

The Contractor will need to recruit an additional employee for the Traveller sites.

**Equalities/Human Rights:**

Equality and diversity are key issues for all directorates within Central Bedfordshire Council. We expect our contractors to comply with our Corporate Equalities Policy and incorporate this within their method statements. As part of ongoing contract monitoring arrangements the Council will check that statutory service delivery and employment requirements relating to equality are being met.

**Community Safety:**

No issues to report.

**Sustainability:**

The tendering process included Central Bedfordshire Council's standard assessment against environmental performance.

**Appendices:**

Appendix A – Tender Evaluation Awarded Criteria.

**Appendix B & C – Exempt Information**

**Background Information:** None