

27th January 2020

BROAD STREET WEST CLEANING SERVICES

Purpose of Report

To seek approval to appoint a provider of cleaning services for the Sheffield City Region offices at Broad Street West, Sheffield.

Thematic Priority

Cross Cutting

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be available under the Combined Authority Publication Scheme

Recommendations

The SCR MCA is asked to consider and approve:

- Delegating authority to the Head of Paid Service to approve the award of an up to 4 year contract (3 years plus 1 year extension) in excess of £100,000 for the Provision of Cleaning Services at Sheffield City Region Offices.

1. Introduction

- 1.1** A procurement process is running to appoint a supplier to deliver a cleaning services for both SCR MCA and SYPTE at Broad Street West, including window cleaning for the building. The preferred supplier will be determined based on the most economically advantageous tender received.
- 1.2** Delegated approval to appoint a single supplier is sought in advance of the procurement exercise completing as there is a requirement to award the contract to the preferred supplier between this meeting and the next meeting of the SCR MCA on 23rd March 2020.

2. Proposal and justification

- 2.1** To procure and appoint a single contractor to deliver cleaning services for both SCR MCA and SYPTE across 5 floors at the Broad Street West Offices. This contract will exclude cleaning services for the second floor which is currently let, and the tenant has elected to continue to source their cleaning requirements independently.
- 2.2** The current SCR MCA contract for cleaning services expires at the end of March 2020 and cannot be extended. Cleaning services for Broad Street West for SYPTE are part of a larger contract for services across their estate. Relevant cleaning services relating to Broad Street

West can be removed from the contract without penalty to coincide with the expiration of the current SCR MCA contract.

- 2.3 Re-procuring a single cleaning service enables SCR MCA to include Service Credits (penalties deducted from the fee due to the supplier) as a mechanism to incentivise delivery of a quality service.
- 2.4 SCR MCA is a Living Wage Employer. A new contract for a single cleaning service will ensure the preferred supplier pays staff delivering a cleaning service for SCR MCA the Real Living Wage.

3. Consideration of alternative approaches

- 3.1 Continue with existing arrangements. The current contract for SCR MCA cleaning services expires in March 2020 and cannot be extended further. Therefore, this option is not viable.
- 3.2 Employ staff directly to deliver the service. The cleaning of Broad Street West requires a concentrated effort during the periods the building is open but outside of core working hours. In addition to cleaning staff, other consumables, equipment and specialist services would be required. The cost and complexity of procuring and managing this would be prohibitive.

4. Implications

4.1 Financial

The cleaning services contract is for up to 4 years (3 years plus one year extension) and has an estimated value of £125,000 per year. SCR MCA and SYPTTE will each contribute 50% of this cost.

The estimated price is based on the costs of existing cleaning requirements, with an uplift to cover additional costs of cleaning staff being paid the Real Living Wage, and enhancements to the specification to ensure delivery of a consistent quality service throughout the building. This contract also includes internal and external window cleaning which is currently delivered separately to existing cleaning contracts.

4.2 Legal

The value of the contract is above the EU thresholds in the Procurement Directives, the contract is therefore being let through a public procurement tendering exercise; where the contract will be advertised and notice of award given in the Official Journal of the European Union (OJEU). The procurement process will also seek to secure wider social, economic and environmental benefits and probe how the service can be of benefit to the Sheffield City Region and its citizens

The provisions of TUPE (The Transfer of Undertaking (Protection of Employment) Regulations 2006 as amended may be applicable on the transfer of services between the outgoing and incoming suppliers. Relevant TUPE information will be shared with shortlisted suppliers as part of the procurement exercise and SCR MCA will seek indemnities in relation to TUPE from the incoming supplier.

4.3 Risk Management

A restricted OJEU procurement procedure is being undertaken. This is a two stage process in which the bona fides and technical capabilities of suppliers are assessed prior to shortlisting only the most suitable suppliers to submit a proposal of services. This will enable elimination of unsuitable suppliers and minimise the risk of appointing a supplier that cannot deliver the cleaning services to the quality required.

4.4 Equality, Diversity and Social Inclusion

Procurement of a cleaning services supplier is undertaken in line with the Public Sector Equality Duties included in the Equality Act. The terms and conditions of contract will obligate the preferred supplier to comply with the Act.

5. Communications

5.1 The award of contracts is communicated on the MCA published Contracts Register in accordance with the MCA transparency requirements.

Appendices/Annexes

6.

6.1 None

Report Author	Joe Gardner
Post	Operational Contracts Team Leader
Officer responsible	Ruth Adams
Organisation	Sheffield City Region
Email	Ruth.adams@sheffieldcityregion.org.uk
Telephone	0114 220 3442

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: