

REPORT TO: CABINET

DATE: 12 SEPTEMBER 2019

TITLE: BUILDING CLEANING CONTRACT

PORTFOLIO HOLDER: COUNCILLOR JOHN STRACHAN, PORTFOLIO HOLDER FOR REGENERATION

LEAD OFFICER: SIMON FREEMAN, HEAD OF FINANCE AND DEPUTY TO THE CHIEF EXECUTIVE (01279) 446228

CONTRIBUTING OFFICER(S): SANDRA FARRINGTON, FACILITIES MANAGER (01279) 446641
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This is a Key Decision
It is on the Forward Plan as Decision Number I010602
Call-in Procedures may apply
This decision will affect no ward specifically.

RECOMMENDED that Cabinet:

- A** Approves, subject to formal contract, a building cleaning contract with HTS (Property & Environment) Ltd (HTS) for a period of three years with an option, at the sole discretion of the Council, to break the contract at the end of year one by giving no less than four months' notice subject to agreement of the terms and conditions and;
- i) The conclusion of mandatory formal consultation with the transferee's existing employees and confirmation that HTS will provide pension protection which is the same as, broadly comparable or better than those they had the right to acquire prior to the transfer and;
 - ii) Clarification on the final cost of the new services taking into account the matters above.
- B** Grants delegated authority to the Chief Executive in consultation with the Leader of the Council to make the necessary legal and financial arrangements to award the contract.

REASON FOR DECISION

- A** To enter into a contract for building cleaning services for a minimum period of 36 months with effect from 1 October 2019.

BACKGROUND

1. Following a Cabinet decision on 17 July 2014, the Council entered into a four year Framework Agreement with Churchill Contract Services Limited and during this time three call-off contracts have been entered into. The current call-off contract will expire on 30 September 2019.
2. HTS has been invited to submit a business case proposal for the services described above. Their proposal demonstrates the required qualifications, experience and capacity to deliver the services at a price that demonstrates value for money.
3. The Council is able to award the contract to HTS as it exercises control over the company similar to that which it exerts over its own departments. This control exempts the Council from the usual public procurement rules.
4. Current requirements with the incumbent contractor require addressing to ensure no risk to the Council prior to formal award of the contract.
5. The contract comprises building cleaning and janitorial services at the Civic Centre and building cleaning services at the Bus Station, Latton Bush Centre, Bush House Offices and Barbara Castle Health Centre.
6. Additional services may be required from time to time at other sites in the Council's Commercial Portfolio. The Council will prepare an appropriate specification and HTS will be given the opportunity to price for the additional services. The Council is not bound to offer HTS any additional services.

ISSUES/PROPOSALS

7. The qualitative assessment has been measured against a series of questions raised within the invitation to submit a Business Case proposal that covered the following themes:
 - a) Resources and Business Continuity
 - b) Programme of Work
 - c) Risk Assessments and Method Statements
 - d) Quality and Environmental Management
 - e) Performance Measures and Indicators

- f) Training initiatives/employment opportunities
 - g) Social Value/Sustainability
 - h) TUPE implementation/mobilisation and Handover
 - i) Potential Savings and Efficiencies
8. HTS submitted a high quality bid with potential for savings over the longer term. The incumbent contractor has been asked to supply further TUPE information and evidence of employee status to enable TUPE to be fully implemented by HTS.
9. As the Council is a Living Wage employer, HTS is also required to pay the Living Wage to the transferring employees.
10. The estimated annual value of the contract for the building cleaning services across the five sites is £151,730 per annum, subject to any adjustment required following the conclusion of mandatory formal consultation with the transferee's existing employees.

IMPLICATIONS

Environment and Planning (Includes Sustainability)

None specific.

Author: Andrew Bramidge, Head of Environment and Planning

Finance (Includes ICT, Properties and Facilities)

The financial implications are set out within the report. There remains some uncertainty regarding the final pricing purely as a result of the need to finalise TUPE information from the existing contractor. The expected cost is within the existing budget provision for the properties included within the scope of the works.

Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive

Housing

As contained within the report.

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

The award of the cleaning contract to HTS Property and Environmental Services Limited (HTS) complies with contract standing orders that enable the Council to award the contract via a successful business case. The Council is working with HTS to settle all TUPE and any ancillary employment matters as part of contract mobilisation.

Author: Julie Galvin, Principal Solicitor (Procurement and Property) on behalf of Simon Hill, Head of Governance

Appendices

None.

Background Papers

None.

Glossary of terms/abbreviations used

HTS – Harlow Trading Services (Property and Environment) Ltd