

CABINET

DATE	12th February 2025
REPORT OF	Councillor Stephen Harness - Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Sharon Wroot – Executive Director Place and Resources
SUBJECT	Corporate Cleaning Contract 2025
STATUS	Open
FORWARD PLAN REF NO.	CB 02/25/06

CONTRIBUTION TO OUR AIMS

The provision of cleaning services to corporate buildings within the agreed budget envelope, will ensure that cleaning standards are met for operational buildings that are part of the corporate estate, the efficient management of which is required for the delivery of services.

EXECUTIVE SUMMARY

The purpose of this report is to seek approval to commence the procurement and tender process for a new cleaning services contract, as the current contract will end 31 July 2026. The revised contract will be reflective of the use of sites and ongoing review and possible future further rationalisation of the estate.

RECOMMENDATIONS

It is recommended that Cabinet:

1. approves the commencement of a procurement exercise for a new cleaning services contract
2. delegates to the Executive Director Place and Resources, in consultation with the Portfolio Holder for Finance, Resources and Assets, authority to commence a procurement exercise and thereafter make award, settle all terms, and ensure that all reasonably ancillary actions are carried out to mobilise and implement the contract.
3. authorises the Assistant Director of Law and Governance (Monitoring Officer) to complete and execute all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION

The current contract period is nearing its expiration date and whilst there are two (2) 12-month extension periods, it is prudent that steps are taken to procure and tender a new cleaning services contract. The contract will be required to supplement self-management of cleaning across work and welfare areas. In order that the new contract for cleaning services can mobilise as soon as possible it is essential that a decision is made to commence the procurement and award the tender at the earliest opportunity following evaluation and in line with the expiration of the contract term.

1. BACKGROUND AND ISSUES

- 1.1 The main contract period for cleaning the Council's corporate buildings is due to expire in August 2025. The contract has 2 x 12-month extension periods, the first of which is being instigated offering the opportunity to extend the existing contract whilst a new procurement exercise is progressed ahead of the mobilisation period commencing August 2026.
- 1.2 The intention is that the Council will invite expressions of interest to bid for the cleaning contract which will reflect a necessary regime of maintaining cleaning standards across the agreed sites, paying particular attention to high traffic areas such as toilets and high touch areas, with the increased requirement for staff to take up measures to manage their own workstations and kitchen areas. The frequency of cleaning activity will then be scaled back as appropriate to the requirements of each individual site.
- 1.3 The contract will ensure the necessary health and safety standards are being met as well as balancing the use of sites – which will need to include ongoing rationalisation opportunities - to achieve Best Value and where possible, a reduction in the current cleaning regime and contract cost.
- 1.4 The tender will be advertised through YORtender, the Council's procurement portal. Requirements within the tender documentation will include a budget 'cap' in line with the approved budget for cleaning services, therefore bids will not be accepted if they exceed the approved budget.
- 1.5 If the contract is to be awarded to a new provider, the mobilisation period will include TUPE transfer of staff from the existing provider to the new provider.

2. RISKS AND OPPORTUNITIES

If a decision on the commencement of a procurement exercise and the tender and award of a new contract is not expedited, there is a risk that the current cleaning contract will exceed requirements due to the reduction in the number of operational buildings. This will not provide value for money to the Council.

There is an opportunity for a new contract to be established based on the blended ways of working and ongoing review and possible rationalisation of assets which may reduce cleaning requirements, whilst continuing to maintain health and safety standards.

The service provider will be required to use environmentally friendly materials and cleaning products throughout the contract period.

3. OTHER OPTIONS CONSIDERED

Do Nothing - the main contract term for cleaning services of three (3) years, will be ending this year. There is the opportunity following the end of the main term to extend the contract by 2 x 12-month extensions. The contract could therefore be extended twice; however, this will be a direct award and there would be no way to assess value for money is being achieved. It is recommended a re-tendering exercise is commenced and therefore this is not considered a viable option.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are potential positive/ negative reputational implications for the Council resulting from the decision. The procurement is being progressed under procurement legislation in an open and transparent way, and all steps (including decisions) are to be communicated through YORtender (procurement portal) as required under the legislation. The cleaning contract needs to be flexible and adapt to the blended ways of working and continuing review and rationalisation which may see a reduction in the use of assets.

5. FINANCIAL CONSIDERATIONS

The proposal outlined within the report supports the Council's drive to obtain value for money through our contractual arrangements. The proposal will be financed through an agreed budget envelope for cleaning services. The new contract will reflect the blended ways of working and staff self-managing in some areas. However, the contract will need to take account of potential fluctuations over the term of the contract which may require an increase in budget within the Medium-Term Financial Plan.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The cleaning regime will be specific to each site which are planned to continue to be used as they are now. There is a possibility to review the portfolio for rationalisation or investment and enhancement and where retained will result in positive implications for those assets supporting Children and Young People.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The recommendations outlined within this report have been considered so far as their impact of the proposal on climate change and the environment. In reference to the Council's environmental policy, the proposal supports the Council's environmental priorities:

- By recognising and realising the economic and social benefits of a high-quality environment.
- By working towards a low carbon North East Lincolnshire that is prepared for, and resilient to, the impacts of climate change.

8. CONSULTATION WITH SCRUTINY

There has been no consultation with Scrutiny to date.

9. FINANCIAL IMPLICATIONS

The costs associated with a newly procured cleaning contract will be managed within the existing budget envelope. Any future inflationary impacts will be considered in the medium long-term plan. Adverse variations in costs from the budget envelope would result in a budget pressure.

10. LEGAL IMPLICATIONS

10.1 The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.

10.2 The delegations sought are consistent with an exercise of this nature.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the contents of this report.

12. WARD IMPLICATIONS

No Wards are affected directly by this decision as it relates only to the operational corporate property portfolio held by the Council.

13. BACKGROUND PAPERS

There are no background papers to this report.

14. CONTACT OFFICERS

Jo Robinson - Assistant Director for Policy Strategy & Resources,
NELC (01472) 323761

Chris Fairbrother, Head of Estates and Asset Strategy, NELC
(01472) 325957

COUNCILLOR STEPHEN HARNESS
PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND
ASSETS