

**Report of the Chief Constable to the Chair and Members
of the Policy & Resources Panel
15th December 2011**

**Executive & Presenting Officer: Mrs Ann Hall, Assistant Chief Officer
(Finance & Commissioning)**

Status: For Decision

Procurement Report for the Provision of Cleaning Services

1. Purpose

- 1.1 The purpose of this report is to advise Members of the procurement process undertaken during the recent tender exercise for Cleaning Services.
- 1.2 The current contract for Cleaning Services expires on the 31st March 2012.
- 1.3 As a result, the service was re-tendered and a new contract will be put in place to ensure a seamless handover and continuity of service.

2. Recommendations

- 2.1 Members note the procurement method, analysis used and the recommendation put forward by the Evaluation Team.
- 2.2 That Member's agree to accept Bidder 4 as the best value solution to deliver Cleaning Services throughout Cleveland Police Authority's property portfolio.

3. Reasons

- 3.1 A restricted two stage tender was the chosen procedure for this procurement. The restricted tender procedure involves advertising the contract opportunity and then sending the first stage PQQ (Pre-Qualification Questionnaire) document to all interested parties to complete. The PQQ document focused on

organisational/legislative compliance questions as well as an organisations experience and technical competence to deliver the service.

- 3.2 The second stage of the tender, Invitation to Tender (ITT) focused on pricing, service management and contract delivery.
- 3.3 Following an advertisement of the contract opportunity through the national e-tendering portal, Bluelight on 18th April 2011, twenty organisations submitted completed PQQ applications on 27th May 2011.
- 3.4 The Project Evaluation Team agreed the format and assessed the PQQ submissions on 3rd and 4th August 2011.
- 3.5 Eleven of the returned PQQ submissions scored fairly average with regard to the TUPE transition of staff, previous experience in delivering similar contracts and also the collaborative approach required to deliver a cost effective solution. Bidders 16 and 20 scored reasonably well, however they didn't provide enough detail with regard to how they would service the contract or highlight potential collaborative saving opportunities. All of the seven remaining PQQ submissions showed a very good understanding of the contract requirements, provided detailed information on the TUPE transition of staff, servicing the contract and also provided significant information on partnership working and reducing cost. These seven Bidders were considered suitable by the evaluation team for short listing and final ITT.
- 3.6 The ITT package was issued to seven Bidders on 30th August 2011.
- 3.7 During the ITT process, all 7 Bidders were invited to several of the Force's operational properties in order to gain an overview of the Force's building stock.
- 3.8 On assessment of the returned ITT documents on 25th October 2011, two of the bidders decided against submitting a final proposal and were therefore withdrawn from the evaluations. The remaining 5 ITT submissions were evaluated under three main categories:
 - price & affordability
 - a method statement focusing on the following contract management methodology: Quality, Cost, Logistics, Sustainability, Development & Management
 - contract delivery.
- 3.9 During the analysis it was evident that all 5 of the contractors appeared to be competent in delivering the contract requirements and managing the transition of service. However when the team evaluated the pricing and affordability section there was a considerable cost variance between the Bidders. The pricing submitted by Bidder 1 appeared to be excessive when compared against the other contractors and the existing contract. Bidder 3 also appeared excessive with their pricing matrix, whilst Bidders 2 and 5

presented very similar costing proposals that offered significant annual cost reductions when measured against the current contractor. However, it was Bidder 4 that presented the most cost effective solution with a very detailed mobilisation plan and full contract re-alignment proposal during the first year of the contract.

- 3.10 On completion of the ITT evaluation exercise, the Evaluation Team felt that due to the close proximity of the final scoring between all 5 bidders it would be reasonable to present all 5 bidders with an opportunity to review their pricing schedules and re-submit the bid to the Evaluation Team.
- 3.11 The Evaluation Team invited all 5 bidders to review their pricing schedules and then submit a final costing proposal to the evaluation team on 31st October 2011.
- 3.12 The bid returns were assessed by the Evaluation Team on 3rd November 2011 and bidders 2 and 4 were invited to present their proposals to the Evaluation Team on 9th November 2011.
- 3.13 Following the bidder presentations, reference site visits and final costing matrix, the Evaluation Team feels that Bidder 4 has a very comprehensive understanding of the contract requirements and transition of service, as well as delivering best value to Cleveland Police Authority.
- 3.14 The choice made by the Evaluation Team is for Bidder 4 to be awarded the contract for Cleaning Services.
- 3.15 Subject to the Police Authority's final approval, the new contract is due to commence on the 1st April 2012.

4. Implications

4.1 Finance

The cost of the contract over 5 years is £1,193,063. The new contract will deliver recurring cashable savings over the full five year contract term:

	Cost	Saving
Year 1 (2012/13)	£262,730	£37,272
Year 2 (2013/14)	£229,199	£70,801
Year 3 (2014/15)	£229,199	£70,801
Year 4 (2015/16)	£236,075	£63,925
Year 5 (2016/17)	£235,860	£64,140
Total over 5 years	£1,193,063	£306,939

- 4.2 Further cashable savings will also be identified in the following areas once the contract has been fully mobilised:
- Consumables purchasing and replenishment

- Periodic cleaning
 - Hand dryers
 - vending requirements.
- 4.3 The contract is also subject to a property 'drop in - drop out' clause, therefore the Estates Rationalisation Project and re-location of Police HQ could potentially deliver additional long term financial savings.
- 4.4 Diversity & Equal Opportunities
Bidder 4 demonstrated a good approach to staff management and communication plans as well as a professional and attentive approach to the existing cleaning staff that will TUPE transfer over to the new contractor.
- 4.3 Sustainability
Bidder 4 has in place a fully integrated sustainable approach in delivering Cleveland Police Authority's contract requirements. This will be delivered by the use of innovative cleaning methodologies, people engagement, sustainable KPI measurement and sub-contractor auditing.
- 4.4 Risk
There is no risk involved in the award of the contract. The recommended bidder has in place a full mobilisation set up for the commencement of the contract as well as a very comprehensive communication strategy with the affected TUPE staff.

5. Conclusions

- 5.1 The procurement process has been completed in line with European Legislation. The use of the restricted procedure gave an opportunity for all interested parties to participate at the initial PQQ stage.
- 5.2 The evaluation has been conducted in a fair, comprehensive, thorough and transparent process.
- 5.3 The ITT submission from Bidder 4 has fully met the specification required by Cleveland Police for the provision of cleaning services.
- 5.4 The Evaluation Team are fully confident that the procurement process has achieved Best Value and the new contract will provide an efficient, responsive and cost effective service to the Authority.

Jacqui Cheer
Temporary Chief Constable

ITT Score – Cleaning Services

TENDER NUMBER	SERVICE DELIVERY	PRICE SCORE	TOTAL SCORE
TENDERER 1	40.5%	26.7%	67.2%
TENDERER 2	33.8%	51.7%	85.5%
TENDERER 3	37.1%	46.0%	83.0%
TENDERER 4	33.6%	55.0%	88.6%
TENDERER 5	37.1%	46.2%	83.3%

Evaluation Team:

Category Leader - Steria

Deputy Estates Business Partner - Reliance

Facilities Manager - Reliance

Corporate Estates Officer - Reliance