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## Cambridge City Council

### STRATEGY AND RESOURCES SCRUTINY COMMITTEE

**To:** Councillors Boyce (Chair), Rosenstiel (Vice-Chair), Al Bander, Ashton, Benstead, Brown, Herbert, Nimmo-Smith and Pogonowski

*Despatched: Friday, 6 January 2012*

**Date:** Monday, 16 January 2012  
**Time:** 5.00 pm  
**Venue:** Committee Room 1 & 2 - Guildhall  
**Contact:** Glenn Burgess **Direct Dial:** 01223 457169

### SUPPLEMENTARY AGENDA (2)

#### 9 PROCUREMENT OF BUILDING CLEANING AND ASSOCIATED SERVICES *(Pages 1 - 6)*

#### Information for the Public

**QR Codes**  
(for use with Smart  
Phones)

**Location** The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.



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Some meetings may have parts, which will be closed to the public, but the reasons for excluding the press and public will be given.

Most meetings have an opportunity for members of the public to ask questions or make statements.

To ask a question or make a statement please notify the Committee Manager (details listed on the front of the agenda) prior to the deadline.

- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

Speaking on Planning Applications or Licensing Hearings are subject to other rules and guidance on speaking on these issues can be obtained from Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

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**Fire Alarm** In the event of the fire alarm sounding please follow the instructions of Cambridge City Council staff.

**Facilities for disabled people** Access for people with mobility difficulties is via the Peas Hill entrance.

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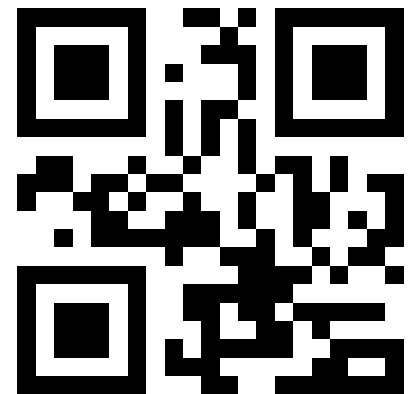
Adapted toilets are available on the ground and first floor.

Meeting papers are available in large print and other formats on request.

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To: Executive Councillor for Customer Services and Resources  
Report by: Director of Environment  
Relevant scrutiny committee: Strategy and Resources 16<sup>th</sup> January 2012  
Wards affected: All

## **Procurement of Building Cleaning and Associated Services Key Decision**

### **1. Executive summary**

- 1.1 Building Cleaning covers a range of services currently provided predominantly in house amounting to a value of over £1 million pounds.
- 1.2 This report seeks to hard market test these services with a view to making potential savings and improve service efficiencies and standards.

### **2. Recommendations**

The Executive Councillor is recommended:

- a) To approve the hard market testing of Building Cleaning and Associated Services through procurement.
- b) To support Option 1 as the preferred method of procurement
- c) To take delegated decisions as required during the procurement process.

### **3. Background**

- 3.1 Building Cleaning has been identified as an area where through procurement by hard market testing savings may be made.
- 3.2 Building Cleaning and associated services currently incorporates the cleaning of the Council's administrative buildings, public toilets, car parks, sheltered and communal housing areas, some operational and commercial property and the crematorium.
- 3.3 Major elements of building cleaning and associated services fall within five portfolios those being; Customer Services and Resources, Environment and Waste, Housing, Planning and Sustainable Transport and Community Development and Health.

3.3.1 The most significant budgetary contribution comes from Customer Services & Resources portfolio and as such the Executive Councillor has agreed to take the lead on this procurement. It is recognised that there will need to be consultation with the Housing Management Board and the Tenant's Regulation Panel to ensure that the needs of both tenants and leaseholders are adequately considered in this process.

3.4 Current levels of expenditure for these services (including overheads and recharges) are shown below:

Service Area	Estimated spend 2011/12
Administrative, operational and commercial building cleaning	£ 320,000
Public Toilets	£ 290,000
Sheltered Housing & communal cleaning	£ 235,000
Car parks	£ 200,000
Crematorium & cemeteries	£ 20,000
Miscellaneous	£ 20,000
Total	£1,085,000

3.5 These services are currently delivered in-house by the Streets and Open Spaces service delivery team.

3.6 In addition it is also intended to look across the organisation at other areas where similar service category contracts exist such as window cleaning and any building cleaning undertaken by different service providers in order wherever possible to bring as much as we can under a single contract. These smaller arrangements, which are associated services, may not be as significant in value but in themselves may bring some lower value savings.

3.7 As a precursor to market testing officers have looked at improving the current service by looking at current working arrangements within the in-house provision and will be making a number of changes in order to improve current standards and put the services in the best position prior to tendering. These changes will not themselves bring about any savings but will address areas of current poor performance and will be implemented in a planned way.

3.7.1 Any changes to employees working arrangements will follow the Council's policies and procedures including consultation.

3.7.2 The service has carried a number of vacant posts that have been covered by agency staff during this period of investigation, it is now intended to recruit to these posts on a fixed term basis.

3.8 Three options currently exist for procurement.

3.8.1 The first option is tender for our services on a City only basis. This option gives the current service providers (the in – house team) the opportunity to put in a bid.

3.8.2 The second option is that there is an opportunity to join together with Cambridgeshire & Northamptonshire County Councils who are due to tender for their building cleaning services and have invited District Councils to express their interest in joining this procurement.

3.8.3 The third option considered is to review availability of potential existing framework agreements. This piece of work has not been completed as this option would not allow for an in-house bid to be submitted and may present difficulties with regards to any prospective TUPE arrangements but if a suitable framework exists that could provide an alternative way forward. However it is not proposed to pursue this option.

3.8.4 The table below shows some elements for consideration when looking at options one and two above. (Option 3 has not been included as the work to assess its viability has not yet been completed.

	Option 1 (City Only)	Option 2 (Joint Bid)
Timetable	Earlier start of procurement process (subject to approvals) possible delivery in late 2012. Retain better control of timetable.	Subject to external timetable target date March 2013. (But high confidence that this will be met due to expiry date of County contracts.) No control over slippage.
Potential Market Interest	Good with possible significant commercial interest. Also enables local suppliers / SME's to apply.	Excellent with major commercial interest. Will need to influence County to allow maximum local / SME participation.
Flexibility	High with control of specification	Medium with ability to influence specification.
In house prospects	Ability to bid against external competitors	Likely to be beyond the scope of an internal bid but dependant on how specification is put together.
Potential Savings	Medium but subject to commercial interest.	High as this type of collaboration attracts significant competition.
Resources needed	High internal input needed including procurement and legal services. Adverse resource implications could delay process.	Medium with bulk of procurement undertaken by others.

3.9 All options have been considered and it is recommended that Option 1 is pursued given that this option provides greater certainty about delivery and will allow the in-house team to bid for the work. Given the importance of quality within this service it is suggested that the price / quality split will be 60% cost / 40% quality.

## 4. Implications

### (a) Financial Implications

It is suggested that savings in the order of £100k per annum may be achieved through this process and this would be split 76/24 between the General Fund and the Housing Revenue Account.

### (b) Staffing Implications

33 staff are currently employed on these services with a further 13 posts being covered by temporary agency workers on a variety of different working patterns both ranging from 12.5 hours per week to 37 hours per week.

It is anticipated that TUPE would apply if the services were not retained in-house. TUPE implications would need to be considered for staff including the consideration for any temporary or agency staff.

Staff and Unions will be kept informed of progress through the procurement process.

Resources will be required from a number of different officers in order to draw up a suitable specification and undertake the procurement process including input from legal services, procurement and finance. HR support would also be required as part of any contract award process with regard to TUPE issues.

### (c) Equal Opportunities Implications

Dependent on the procurement option chosen small local businesses may not be able to/ will find it difficult to engage with this procurement opportunity.

There should be no significant disadvantage to employees preferring part time work although a new contract may bring about changes in working patterns.

On the preparation of specifications consideration to Equal Opportunities will be considered with the preparation of Equality Impact Assessments.

### (d) Environmental Implications

Dependant on the procurement option chosen there should be no significant environmental implications although Option 2 would encourage a wider geographical base on which to tender, however the likelihood is that the service would be provided on a local basis.

The specification should reflect our policies in regards to sustainability and the green purchasing. The climate change rating is considered to be NIL.



(e) **Consultation**

Unison, GMB, building cleaning staff and key internal officers have been informed of the need to hard market test these services. It is intended to engage, inform and consult, when appropriate, through this process.

It is also intended that the Housing Management Board and the Tenants Regulation Panel will be engaged with elements of the tender affecting services provided to tenants and leaseholders.

(f) **Community Safety**

There is an expectation that this procurement will drive forward improvements in standards of service delivery and as such cleaner, tidier communal areas in housing which could bring about an improvement in the feeling of well being.

**5. Background papers**

Nil

**6. Appendices**

Nil

**7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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