

Forward Plan reference number: *Not applicable*

| | |
|--|---|
| Report title: Contract award for ECL Cleaning and Caretaking | |
| Report to: Councillor David Finch – Leader | |
| Report author: Claire Shuter, Corporate Development Director, ECL | Report author: Claire Shuter, Corporate Development Director, ECL |
| Date: 07/04/2021 | |
| Enquiries to: Claire Shuter, ECL, Claire.shuter@essexcares.org , 07775 407888 | |

Confidential Appendix

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

[Democratic Services staff will insert the relevant category in this section]

1. Purpose of Report

- 1.1 Essex Cares Limited (ECL) is a company wholly owned by Essex County Council. ECL are seeking to procure and award a contract for cleaning and caretaking services for the properties that ECL operate services. This report asks Essex County Council, in its role as sole shareholder, to agree that ECL may enter into the contract.

2. Recommendations

- 2.1 Agree in its role as shareholder that ECL enter into a contract over £500,000 for Cleaning and Caretaking services for a maximum of 5 years.

3. Summary of issue

- 3.1 ECL's Articles of Association provide under Article 3A(i) where ECL is proposing to enter into a contract under which the total consideration is greater than £500,000, this is to be approved by ordinary resolution.
- 3.2 ECL operates services and provides office accommodation from 30 buildings in Essex and West Sussex. ECL is required to keep these buildings clean and maintained.
- 3.3 In 2010, soon after ECL was created, Monthind was awarded a contract for caretaking services. In May 2012 cleaning services were added to the contract with an initial term of 2 years. The contract was then extended a further two years to May 2016, and again by 5 months to October 2016. The last amendment to the contract was an 11-month extension made in November 2016 which ended September 2017 and has been in place to date.

- 3.4 The current 'rollover' arrangements lack robust terms and conditions, modern specification, appropriate notice arrangements and performance measurement. The contract is not considered fit for purpose and the service is required to be retendered to put formal arrangements in place.
- 3.5 The new contract will include cleaning and caretaking services:
- 3.5.1 The caretaking requirement is to provide six mobile caretakers, Monday to Friday (excluding Bank Holidays), each working a 5-day, 37 hours week, between the hours of 0700 and 1900 hours to suit the requirement. The caretakers will ensure that all property, equipment, and services in use by ECL are routinely inspected, tested, and maintained. Regular maintenance and inspection will ensure properties are kept to the standard required by ECL and to comply with any regulation or legislation that may be applicable.
 - 3.5.2 The cleaning requirement is to provide a team of cleaners to ensure ECL properties are kept to the standard required by ECL and to comply with any regulation or legislation that may be applicable. The successful supplier will have BICSc Membership and offer accredited training to Staff and will work to the cleaning rates of productivity and standards specifications as set out by BICSc using a full colour coding system whilst using suitable cleaning products which are as environmentally friendly as possible whilst still being completely effective.
- 3.6 The ECL Interim Procurement Manager with the Head of Facilities Management has identified that the YPO Framework includes suppliers with the necessary resources and capabilities to deliver the specification required. As ECL is 100% owned by Essex County Council it is eligible to use public sector frameworks.
- 3.7 The YPO framework agreement is an OJEU compliant route for public sector organisations to secure consultancy support, negating the requirement for the organisation to run its own procurement exercise. Suppliers on the YPO framework will have already been subject to a quality assessment prior to being appointed to the framework.
- 3.8 ECL will appoint, by direct award as permitted by the framework, on the basis of the most economically advantageous tender (MEAT) including an assessment of price (40% weighting) and quality (60% weighting).
- 3.9 It is anticipated that this contract shall commence in May 2021 and will continue for a period of three years, with the option (at ECL's discretion) of extending beyond the contract end date for a 1-year period on up to two occasions, and for a maximum contract period not exceeding 5 years in total.
- 3.10 Following evaluation, the contract will be awarded by the ECL Board within the budget set out in the Confidential Appendix. ECL's Financial and Procurement Regulations state that the Board can award contracts over £500,000.

4. Options

- 4.1 **Do nothing.** ECL will continue the rolling contract. This leaves ECL vulnerable to termination (one month on either side) for a critical service and will be unable to contract manage the supplier to the required specification. This option is not recommended.
- 4.2 **Conduct a framework award through YPO.** The use of a public sector framework means ECL will benefit from the aggregated spend volume and increased leverage in the market offered by a framework. The process can be completed in 6 weeks and therefore robust contract management arrangements can be in place sooner. This is the recommended option.

5. Next steps

- 5.1 Subject to approval of this decision, ECL to award the contract under delegated authority. No further decisions from ECC are required.

6. Issues for consideration

6.1 Financial implications

- 6.1.2 The lifetime cost of this contract is included in ECL's five-year budget for Facilities Management

6.2 Legal implications

- 6.2.1 Pursuant to Article 3 the directors are able to exercise all powers of the company but only in accordance with the listed documents that shall have been approved from time to time by ordinary resolution: the list includes the company's business plan(s). Pursuant to Article 3A an ordinary resolution is required to approve the business plan.
- 6.2.2 The decision by the Leader on behalf of the Shareholder will be received in this report and is as effective as an ordinary resolution taken at a Shareholder meeting of ECL.

7. Equality and Diversity implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful

- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of appendices

Confidential Appendix
Equality Impact Assessment.

9. List of Background papers

None

| | |
|---|-----------------------------------|
| I approve the above recommendations set out above for the reasons set out in the report. | Date |
| Councillor David Finch – Leader | 28th April 2021 |

In consultation with:

| Role | Date |
|---|-----------------------------------|
| Stephanie Mitchener, on behalf of Executive Director for Finance and Technology (S151 Officer) Nicole Wood | 28th April 2021 |
| Laura Edwards, on behalf of Director, Legal and Assurance (Monitoring Officer) Paul Turner | 26th April 2021 |