

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

*PART 1 – PUBLIC DOCUMENT

Any interest to declare/ or conflict and any dispensation granted [*if applicable*]

DIRECTORATE: RESOURCES

1. DECISION TAKEN

To enter in to a contract for Cleaning Services for a period of three years (from 1st April 2019), with an option to extend by two years, with Hi Spec Facilities Services Ltd.

20 Schooner Park,
Schooner Court,
Crossways Business Park,
Dartford,
Kent
DA2 6NW (company number 4373379).

2. DECISION TAKER

Ian Couper, Service Director- Resources

3. DATE DECISION TAKEN:

20th February 2019

4. REASON FOR DECISION

4.1 A procurement process for a full retender was led by Property Services, with the assistance of North Hertfordshire District Council's (NHDC) Procurement Officer, Legal Services and Finance.

4.2 A full procurement process was undertaken and assessed on the basis of 40% quality and 60% price. This determined that Hi Spec Facilities Services Ltd offered the most economically advantageous tender.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 An exercise to evaluate the estimated cost comparison of an in-house and outsourced service was conducted, which also considered risks associated with in-house delivery. The exercised showed that there were no cost savings to be realised and the risks associated with in-house delivery were significant.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

6.1 The cleaning contract includes the cleaning to office buildings, Brotherhood Hall and two multi storey car parks. The impact on stakeholders is limited and therefore no consultation was deemed necessary. Furthermore staff feedback in regard to the current office cleaning service has been generally positive.

7. RELEVANT CONSIDERATIONS

- 7.1 The Council has an obligation to the welfare of its staff and ensure that its buildings are compliant and fit for use.

8. LEGAL IMPLICATIONS

- 8.1 Under 14.6.12 (a) (i) A the Service Director- Resources will “manage, direct and control all resources allocated to the Directorate in accordance with the Council’s policies”. Under 14.6.4 (a) (ii) Service Directors have a general authorisation for “entering into contracts to carry out works and/or for the supply of goods and services within approved budgets”.
- 8.2 This contract was let in accordance with the Council’s Contract and Procurement regulations.

9. FINANCIAL IMPLICATIONS

- 9.1 It is estimated that the cost of the contract during the five years will be around £279k. This cost will be covered by the existing budget for this service.

10. RISK IMPLICATIONS

- 10.1 The contract is split into two elements, fixed price cleaning of buildings and ad-hoc cleaning activities, which are optional. Overall it is estimated that the new contract will provide annual savings of around £14k, or around £70k over a five year contract (if it is extended). A review was undertaken to determine whether the quoted price was abnormally low. This concluded that the proposed frequencies could be afforded from within the tendered price and that those frequencies could deliver the required level of service given the way that the contractor planned to undertake the work.
- 10.2 As part of the financial due diligence it was discovered that the credit rating for Hi Spec Facilities Services Ltd was low and as such Finance gave a high risk rating and proceed with caution. However it should be noted that the company has a turnover of over £7m and longstanding experience of fulfilling public sector (and other) contracts.
- 10.3 A combination of Property Services, Procurement, Legal and Finance officers considered the risks to be limited, on the basis that the supplier will be paid in arrears for work completed. Therefore the most significant risk could be that the contract will need to be re-procured should the supplier become insolvent. Given the potential financial savings a decision to award the contract to Hi Spec Facilities Services Ltd was taken.

11. EQUALITIES IMPLICATIONS

- 11.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 11.2 There are no equalities implications in relation to this procurement.

12. SOCIAL VALUE IMPLICATIONS

12.1 As the recommendations in the report relate to a contract above the EU threshold, Social Value has been included by the Council recognising and including a statement within the specification that social and economic improvements to the area could be created by opening up employment, training and supply chain opportunities in the area where the contracted services are being delivered. The results of these steps are local staff will be utilised for the delivery of the contract.

13. HUMAN RESOURCE IMPLICATIONS

13.1 There are no direct HR implications arising from the award of this contract.

14. BACKGROUND PAPERS

None.

15. NOTIFICATION DATE

26th February 2019

Signature of Executive Member ConsultedNot applicable.....

Date



Signature of Decision Taker

Please Note: that unless urgency provisions apply EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.

Call-in does not apply to NON-EXECUTIVE DECISIONS