

Finance and Resources Committee

10.00am, Thursday, 12 August 2021

Provision of Stair Cleaning Services Framework

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 Approve the appointment to a Framework Agreement for the provision of a city-wide stair cleaning service to:
 - 1.1.1.1 ISS Facility Services Limited;
 - 1.1.1.2 Caledonian Maintenance Services Limited; and
 - 1.1.1.3 Perfect Clean Edinburgh Limited.
 - 1.1.2 Approve the award of contract for the service to the first ranked supplier, ISS Facility Services Limited;
 - 1.1.3 Note the commencement of the contract from 1 September 2021 for an initial period of two years with the option to extend to a maximum period of 24 months; and
 - 1.1.4 Note the total estimated value for the contract of £4m over the maximum four-year period.

Paul Lawrence

Executive Director of Place

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Report

Provision of Stair Cleaning Services Framework

2. Executive Summary

- 2.1 The Council provides a stair cleaning service to approximately 2,500 housing blocks where the Council owns all or some of the homes. The service is provided by a contractor procured by the Council. The aim of the service is to support tenants and residents in mixed tenure stairs to maintain cleaning standards within common areas of blocks and to provide a rapid cleaning response to address spillages that could result in potential health and safety issues. Contract management is delivered through the Housing Service.
- 2.2 This report seeks approval from the Finance and Resources Committee to award a Framework Agreement for the provision of a stair cleaning service for a period of up to four years, with the service as outlined in the service specification awarded to the first ranked supplier, ISS Facility Services Limited.

3. Background

- 3.1 The Council's Housing Service requires a Framework Agreement for the provision of communal stair cleaning services to cover approximately 2,500 fully or partially Council-owned blocks located across the four localities. There is also a need to include capacity within the scope of the contract to provide cleaning services for approximately 500 wholly private stairs.
- 3.2 Council tenants pay for the weekly service as part of their overall rent charge. The current charge for 2021/2022 is £2.02 per week. Owners in the service are billed in advance and if the required payments are not made the clean provided on their behalf ends and the owner is expected to take their turn at cleaning the common stair. A stair cleaning rota is displayed within the common stairs.
- 3.3 The provision of a stair cleaning service has been in place under a city-wide Framework Agreement, delivered by a single supplier, for the past five years. This model has been retained for the new contract specification with contingency arrangements as set out in paragraph 4.8 to support potential expansion of the service in wholly Council owned and mixed tenure stairs if required. The

procurement strategy was to continue with the current approach to maximise economies of scale and contract management efficiencies.

- 3.4 The feasibility of aligning stair cleaning within a future estate management model is being taken forward through the agreed Housing Service Improvement Plan. The overall aim of this work is to improve the cleanliness and maintenance of common areas and greenspace in neighbourhoods where the Council has a high volume of tenancies and land ownership. A contracted stair cleaning service is still required in the interim to maintain the cleaning standard in stairs and ensure there is a responsive service for any potential health and safety concerns.
- 3.5 The Housing Service requested a replacement Framework Agreement with a contract to be awarded for an initial period of two years, with a further two option periods of 12 months each. Housing and Commercial and Procurement Services reviewed the existing contract arrangements and an enhanced specification and pricing model was tendered.
- 3.6 Prior to developing the tender, tenants receiving the service were surveyed to assist with informing the future approach to the contract specification. Returns were low at only 2% but the feedback provided a guide to tenant opinion and their preferred next steps. Two focus groups with tenants were also held to explore the service in more depth. As a result of the consultation, bi-annual deep cleaning for all fully or partially Council-owned blocks is included in the new specification.
- 3.7 The existing contract includes cleaning to circa 500 wholly privately-owned stairs dispersed across the city and capacity has been included to maintain the current private element of the service to a standard specification. No new stairs or bespoke services will be added however so that the Housing Service can focus on delivery of the service to standard for tenants and encouraging take up of the service by private owners in partially Council owned blocks.
- 3.8 The new framework can also continue to be used by other Council service areas; It is expected that this will mainly be for ad hoc rather than regular cleaning services.

4. Main report

- 4.1 The Housing Service requires a Framework Agreement for the supply of a communal stair cleaning service to approximately 2,500 fully or partially Council-owned blocks located across the four localities with capacity to also provide a service for existing wholly owned private stairs signed up to the service. The service requires to be customer focused, provide value for money and contribute to the maintenance of standards within local neighbourhoods.
- 4.2 In February 2021, the Council undertook a two stage Restricted Procedure procurement in accordance with the Public Contracts (Scotland) 2015 Regulations. The aim of a two-stage process is to identify suitably qualified and experienced

providers by setting out mandatory criteria requirements, such as qualifications required, to enable shortlisting to stage two of the tender process.

- 4.3 Stage one involved a Single Procurement Document (Scotland) (SPD) evaluation process to identify suitably qualified and experienced providers to invite to tender. Five providers were successful at the SPD stage and were invited to tender. Four tenders were returned in May 2021.
- 4.4 Tender submissions were evaluated by officers in accordance with the evaluation and scoring criteria set out in the tender documents. The aim was to select the most economically advantageous tenders and a cost quality ratio of 60% price, 40% quality was applied.
- 4.5 The quality analysis included weighted award criteria questions and tenders that passed a minimum quality threshold of 50% were subject to a price analysis.
- 4.6 All the bids submitted were based on a schedule of rates on notional sums and volumes for the service including labour, materials and plant and machinery.
- 4.7 The tender results, combining the quality scores and the price evaluation to derive an overall score for each bidder out of a maximum of 100%, are:

Supplier	Quality Score 40%	Price Score 60 %	Overall score (maximum of 100%)	Rank
ISS Facility Services	30.20	60.00	90.20	1
Caledonian Maintenance Services	23.40	53.97	77.37	2
Perfect Clean Edinburgh	23.20	50.37	73.57	3
Bidder 5	27.80	45.32	73.12	4

- 4.8 Subject to Committee approval, the Council will allocate the stated business to the highest ranked provider as established in the above table; for substantial additional works, providers appointed to the Framework Agreement may be invited to participate in a mini competition.
- 4.9 The Summary of the Tendering and Tender Evaluation Process is provided in Appendix One.
- 4.10 Contract management resources will continue to be provided within the Housing Service to manage the contract to ensure compliance with reporting requirements and to evaluate, monitor and manage provider performance.

- 4.11 The specification has been developed in consultation with tenants. The standard weekly clean for Council owned and mixed tenure stairs includes sweeping and removal of debris from common areas; spraying water/disinfectant solution; wet scrubbing, if required; dry mopping wet areas and wiping of handrails/internal window ledges. The wholly private element of the service will be delivered to the same standard specification, but this will continue to be scheduled as a fortnightly clean. No new wholly owned stairs or bespoke services will be added.
- 4.12 The service, which is managed through Housing Revenue Account (HRA) resources, will focus on managing the service provided to Council tenants and increasing owner take up of the service in mixed tenure Council stairs. Owners in wholly owned private stairs interested in a stair cleaning service will be provided with advice and information on how they can source and agree alternative providers with other residents in the stair. This will include making them aware of the new [Shared Repairs App](#), developed through a Council led project under the Scottish Government CivTech initiative, that supports owners to take forward repairs and maintenance within tenement stairs, including services such as stair cleaning.

5. Next Steps

- 5.1 Subject to approval, the Framework Agreement will commence from 1 September 2021.
- 5.2 All potential providers have been kept updated throughout the procurement process and are aware that the award of a Framework and contract start dates are dependent upon committee approval.
- 5.3 Virtual start up meetings will be held with the first ranked provider before the contract start date.
- 5.4 The Framework will be managed by the Housing Service (Housing Management and Development).

6. Financial impact

- 6.1 The Framework Agreement has an estimated total value of £4m over the full four-year period.
- 6.2 The stair cleaning service is self-financing through the HRA and contributes a small annual surplus to the General Fund through take-up of the service from owners in partially Council owned blocks and wholly owned stairs.
- 6.3 The current service charge to tenants is £2.02 per week, which equates to an annual charge of £105.12 per property. The service charge will be held at this price for the remainder of 2021/2022 and then reviewed annually for the remaining period of the contract as part of the annual HRA budget and Fees and Charges process.

- 6.4 The charges for the wholly owned private element of the service will be reviewed as part of the annual Fees and Charges process for 2022/23. This will take account of costs as per the revised pricing schedule and a reasonable fee for administering the service through the HRA.
- 6.5 The Housing Service will continue to consult and actively seek increased resident participation in the service from private owners in partially Council-owned blocks.
- 6.6 The service will be tracked, and financial savings recorded using like for like comparisons. It is anticipated that financial savings, of approximately 1%, will be delivered via the new Framework through fixed pricing for deep cleaning packages and a revised schedule of rates for out of hours and emergency cleans to include all labour and material rates for the first two years of the Framework. These rates should be on par with or lower when compared with the previous Framework if inflation for the last four years is applied. A review of the specification and pricing model was also carried out which has ensured competitive bids.
- 6.7 The forecast savings, based on a comparison of pricing and historical volumes of additional ad hoc cleans, are:

Year	Saving
2020/21	£5,000.00
2021/22	£10,000.00
2022/23	£10,000.00
2023/24	£10,000.00
2024/25	£5,000.00
Total	£40,000

- 6.8 The contract manager within the Housing Service will ensure compliance with reporting requirements, monitoring and managing the performance of the providers, and will also ensure contract compliance and best practice is utilised for each mini competition.
- 6.9 The costs associated with procuring this contract are estimated to be £35,000.

7. Stakeholder/Community Impact

- 7.1 The contract recommended for award is compliant with procurement regulations and the Council's Contract Standing Orders.
- 7.2 As part of the procurement process it was identified that all the providers pay the Real Living Wage rate. They have also all agreed to provide community benefits in line with the Council's Community Benefits Points System for frameworks.
- 7.3 No significant environmental impacts are expected to arise from this contract.

- 7.4 The success of these contracts will be measurable against Key Performance Indicators which were detailed within the tender package.
- 7.5 An Integrated Impact Assessment and a Data Protection Impact Assessment have been completed.
- 7.6 Edinburgh Tenants Federation (ETF) is represented on the Stair Cleaning Management Board, which has oversight on monitoring, performance and community benefits delivered through the contract. As part of on-going engagement with stakeholders, ETF has been notified of the procurement exercise and its timescale for implementation.
- 7.7 All providers have completed a COVID-19 business continuity plan, confirming how services will continue under new measures provided by the Scottish Government. These measures will continue to be monitored throughout the lifetime of the call off contracts.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Process.

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Framework	CT0812 - Provision of Stair Cleaning Services																					
Framework period	Two years with the option to extend for two periods of up to 12 months (2+1+1)																					
Estimated Framework Value (including extensions)	£4,000,000																					
Procurement Route Chosen	Restricted procedure using Public Contracts Scotland																					
Tenders returned	4																					
Name of recommended provider	ISS Facility Services Limited																					
Price / Quality Split	40 % Quality	60 % Price																				
	<p>The emphasis on Quality was to reflect the need for a high level of service for end users.</p> <table border="1"> <thead> <tr> <th>AWARD CRITERIA</th> <th>WEIGHTING</th> </tr> </thead> <tbody> <tr> <td>DELIVERY TEAM STRUCTURE, ROLES AND RESPONSIBILITIES</td> <td>20%</td> </tr> <tr> <td>PROJECT DELIVERY AND APPROACH</td> <td>20%</td> </tr> <tr> <td>COMPLAINTS AND ENQUIRIES PROCEDURE</td> <td>10%</td> </tr> <tr> <td>QUALITY ASSURANCE</td> <td>10%</td> </tr> <tr> <td>HEALTH AND SAFETY</td> <td>10%</td> </tr> <tr> <td>BUSINESS CONTINUITY AND RESILIENCE</td> <td>5%</td> </tr> <tr> <td>FAIR WORK PRACTICES</td> <td>10%</td> </tr> <tr> <td>COMMUNITY BENEFITS</td> <td>10%</td> </tr> <tr> <td>COVID-19 METHOD STATEMENT</td> <td>5%</td> </tr> </tbody> </table>		AWARD CRITERIA	WEIGHTING	DELIVERY TEAM STRUCTURE, ROLES AND RESPONSIBILITIES	20%	PROJECT DELIVERY AND APPROACH	20%	COMPLAINTS AND ENQUIRIES PROCEDURE	10%	QUALITY ASSURANCE	10%	HEALTH AND SAFETY	10%	BUSINESS CONTINUITY AND RESILIENCE	5%	FAIR WORK PRACTICES	10%	COMMUNITY BENEFITS	10%	COVID-19 METHOD STATEMENT	5%
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Evaluation Team	Tenders were evaluated by Council officers from Housing Management and Development																					