

Report title

Laundry and Dry-cleaning Services – Contract Award

Report to

London Fire Commissioner

Date

10 October 2018

Report by

Assistant Director, Technical and Commercial

Report number

LFC-0070x

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Summary

The Laundry and Dry-cleaning Service is a managed service that includes laundry, dry cleaning, repairs, supply, collection and delivery services. The items for processing include, but are not limited to, uniform clothing (excluding firefighting PPE), tea towels and other garments and articles. In addition, the Contractor is from time to time required to provide a specialist service to deal with the effects of various types of contamination to clothing and other items.

This is an ongoing requirement and has been procured in line with the Public Contract Regulations 2015 and the London Fire Commissioner Scheme of Governance.

Recommended decision

The London Fire Commissioner authorises the Assistant Director, Technical and Commercial, to award a four-year contract for the provision of Laundry and Dry-cleaning Services to the bidder named in paragraph one of Appendix 2 to this report.

Background

1. Policy number 533 sets out the arrangements for laundering, dry cleaning, repairing and fumigating items other than structural firefighting PPE. This service has been historically provided by an external contractor and includes a weekly collection and delivery service to all LFB locations. The list of items included in the contract are listed in Appendix 1 to this report (which is an extract from Appendix 3 of the policy). The service does not include personal clothing or personal items.

Commercial procurement options

2. The current contract was tendered in 2012 via an OJEU restricted procurement procedure and resulted in the receipt of two tenders from Sunlight (now Berendsen) and Lion Apparel System Ltd, who later opted out of the process. As a consequence of this poor response and in an attempt to maximise the potential level of competition, the following routes to market were considered as options for the procurement of the new contract:
 - **OJEU restricted procedure** – A two stage process consisting of a supplier questionnaire (a selection of pre-qualification criteria which covers financial standing, technical experience and business capabilities) and the tendering process. The restricted process

allows any interested party to participate in the procurement process however only those invited to tender following the Supplier Questionnaire stage may submit a tender.

- **the CCS framework RM1031 Laundry and Linen Services** – The framework has 11 suppliers, which covers a range of laundry and dry-cleaning service options, specifically tailored to fulfilling the requirements of the NHS, Central Government and public sector customers.
- Following a market analysis, the OJEU route was rejected in favour of the collaborative CCS framework, due to its immediate availability and confirmation that it would meet the Brigade's requirements. This allows the Commissioner to not only benefit from the economies of scale of this much larger framework but also the reduction in the time and costs involved in undertaking a mini competition, as opposed to a full tender process.

The Procurement Process

3. Tenders were evaluated against pre-determined quality and price criteria (60/40), set out in the Framework Agreement by a cross-functional evaluation panel from the Contract Management Group, Responsible Procurement team, Central Operations team and Corporate Procurement Services. Details of the suppliers invited to tender can be found in table 1 of Appendix 2 of this report.

Evaluation

4. A thorough evaluation was conducted across a range of mandatory and discretionary price and quality criteria.
5. The quality of the submission was evaluated across three sections (Technical, Contract Management and Social Value & Environmental) which were then divided into eight questions (see Table 1 below). Each question was scored out of five and weighted in accordance with the section sub-weighting. Quality was evaluated by the evaluation team and the price evaluation was carried out solely by Procurement to ensure that the price did not influence the evaluators score.

Table 1 – Quality Evaluation Score

Criteria	Item	Section Weighting		Sub-Category	Maximum Weighted Score	Overall Weighting
Quality	Technical	20	1.1.1	Approach to delivering contract	10	60%
			1.1.2	Management Information	10	
	Contract Management	30	1.2.1	Key Personnel and Customer Services	10	
			1.2.2	Delivery Schedule	5	

			1.2.3	Track and Trace	5
			1.2.4	Implementation Plan	10
	Social Value/ Environmental	10	1.3.1	Transport	5
			1.3.2	ETI Base Code	5
Total Weighted Score out of 60					

6. Price was evaluated across three categories as shown in Table 2 below.

Table 2 – Price Evaluation Score

Group 1 – Items that are laundered in high volume and make up a large portion of spend through the contract.

Group 2 – Items that are laundered less frequently.

Criteria	Item	Section Weighting	Sub Category	Sub-Weighting	Overall Weighting
Price	Laundry and Dry Cleaning		Laundry Group 1	15%	40%
		30%	Laundry Group 2	7.50%	
			Dry Cleaning	7.50%	
	Repairs	10%			

7. Further details of the pricing can be found in Appendix 2 of this report.

Finance comments

This report recommends that approval be given to award a Laundry and Dry-cleaning Services contract. The cost of this contract will be contained within the existing budget.

Workforce comments

This is a re-procurement of an existing contract which is covered by the existing Policy [PN533-Uniform and Personal Protective Equipment]. The requirements have largely remained the same.

Legal comments

The General Counsel has reviewed this report and notes that the arrangement proposed is consistent with the Commissioner's power under section 5A of the Fire and Rescue Services Act 2004 to procure services they consider appropriate for purposes incidental to their functional purposes.

Furthermore, under section 7 (2)(a) of the aforementioned legislation, the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting.

The General Counsel also notes that the proposed service has been procured in compliance with the Public Contracts Regulations 2015. The Crown Commercial Service have conducted a compliant OJEU procurement in accordance with section 33 of the Public Contracts Regulations 2015 to set up CCS framework RM1031 for Laundry and Linen Services, from which the Commissioner is able to make a compliant call-off.

Sustainability implications

In line with the London Fire Commissioner's Responsible Procurement policy, the contract requires payment of the London Living Wage, actions to reduce the impact of their operations on the environment and investment in vehicle management systems to optimise fuel use and driver behaviour. The contract also covers details of Brigade premises that are located within the Ultra-Low Emission Zones (ULEZ).

The preferred bidder has demonstrated compliance with the Commissioner's responsible procurement policy and has a dedicated Energy Manager to promote, monitor and drive energy and water reduction.

Equalities implications

There are no specific equalities implications arising from this report.

Publication of this report

As this report requires a decision of the Commissioner, it will be published on the Brigade website as a background document to the decision.

List of Appendices

Appendix	Title	Protective Marking
1.	Policy Notice 533 - Appendix 3	Not protectively marked
2.	Laundry and Dry-cleaning Services – Evaluation Summary	OFFICIAL – Sensitive (Commercial)

Consultation

[Note: this section is for internal reference only – consultation information for public consideration should be included within the body of the report]

Name/role	Method consulted
Mark Atkinson, Head of Procurement	By e-mail
Nicole Fletcher, Head of Sustainability	Meeting
Justin Ali, Commercial Contract Manager	Circulation of draft report
Anouska Herman, Senior Procurement Officer	Report author
David O'Sullivan, Principal Finance Manager	By e-mail
Saminara Rahman, Lawyer	By e-mail

Appendix 3 of Policy Notice 533 (To be revised)

Laundry, dry-cleaning, repair and fumigation

Introduction

- 1 This policy sets out the arrangements for laundering, dry cleaning, repairing and fumigating items **other than structural firefighting PPE**. The procedures to be used are set out in Appendices 4 and 5.

Laundry, dry-cleaning, repair and fumigation.

- 2 Laundry, dry cleaning and repair work is carried out by contractors under arrangements which provide for a weekly collection and delivery to/from all Authority premises. Articles for dry cleaning, laundry and repair will be collected and delivered at the same time by the contractor.

Items to be sent to the contractor

- 3 The items detailed in paragraph 10 of this Appendix should be sent either for dry cleaning, laundering or repairs as required. Privately owned items must not be sent for cleaning by the contractors at the Authority's expense.

Specialist cleaning

- 4 Specialist cleaning will be required for:
 - Proban items.
 - Working rig garments.
 - RTC tabards and jackets.
 - Items contaminated after working near, on or in water (other than PPE).

The above items require specialist processing as specified in paragraph 10 (iii) of this Appendix. Contaminated items must be placed in a water-soluble bag (POMS part number S1732) inside a heavy-duty plastic bag for collection by the contractor, with the contents and type of contamination clearly labelled. Refer also to Policy number 584 - Firefighter decontamination, for general guidance on decontamination procedures.

Frequency of laundering/dry cleaning

- 5 Articles should be sent for laundering or dry cleaning whenever the watch manager considers this necessary.
- 6 All structural firefighting **PPE** will be collected and laundered separately by Bristol Uniforms. **Under no circumstances are any Bristol Uniform owned PPE items to be given to the nominated laundry/dry cleaning contractor.**

Procedure for dry cleaning, laundering and repair

- 7 The procedures for dry cleaning, laundering and repair are detailed in **Appendix 4**. Repairs should be performed by the laundry and dry-cleaning contractor. Requests for repair should be detailed on Form 5907 for laundered items and on Form 4329 for dry cleaned items.

Private dry cleaning of undress uniforms and officers' raincoat

- 8 Private dry-cleaning contractors should only be used in exceptional circumstances and only with the prior approval of the watch manager/budget holder. Individual allowances for dry cleaning per clean are:

NATO Jumper	£2.45
Jacket	£3.75

Appendix 3 of Policy Notice 533 (To be revised)

Trousers	£2.45
Skirt	£2.45
Anorak	£4.25

- A VAT receipt is to be obtained from the dry cleaner in each case to use as a petty cash voucher for reimbursement from petty cash (collection tickets are not receipts). The reimbursement should not exceed the individual allowance for each item. Claims where no petty cash facilities are available should be submitted using the online link to the Expenses claim process on Hotwire. This receipt, together with reasons explaining the circumstances of each case are to be submitted by the watch manager to the line manager/budget holder.
- Dry cleaning of raincoats should normally be undertaken not more than once a year. If a raincoat becomes badly soiled within a year of dry cleaning, an application for its further dry cleaning must be made by e-mail to a more senior officer than the holder of the coat. It is essential that the cleaning of a raincoat is accompanied by re-proofing as the cleaning fluids tend to remove the proofing compound. A VAT receipt must accompany all claims for reimbursement.

Fumigation of bedding at stations

- 9 The watch manager is to contact the Property Helpdesk Officer (extension 89100) to arrange the fumigation of bedding and personal equipment on the station used by any member of the Brigade believed to be suffering from or in contact with contagious or infectious diseases.

10 Lists of items for laundry, dry cleaning and repair**(i) Laundry Items**

Apron (Cooks)
Oven Gloves
Boiler Suit
Table Cloth
Hand Towel
Bath Towel
Tea Towel
Tabards, Reflective

Dry Cleaning Items

Anorak
Curtain
Jacket (Undress)
Trousers (Undress) Skirt (Undress)
Jumper (NATO)
Overcoat (Undress)
Raincoat
Raincoat (Re-proofing where necessary)

ii) The articles listed below are to be laundered not less frequently than the intervals indicated:

Item	Interval
Mattress cover - used with sheets	6 months
Sleeping bags	6 months
Mattress cover - used without sheets	6 months
Pillow cases	3 weeks
Sheets	4 weeks
Blankets	4 weeks
Sleeping bag (station stock)	After use and every 6 months

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(iii) The items below require **specialist** processing:

- **Proban cotton items**: contractor has washing instructions.
- **Heavily soiled Proban cotton items**: the instructions to the contractor stipulate that items may be laundered or dry cleaned.
- **Working rig garments**: items must be dry cleaned and returned suitably wrapped, pressed and provided with a wire coat hanger.
- RTC tabards and jackets: for laundering.
- Items contaminated after working near, on or in water (other than PPE): the contractor has instructions for laundering and must press items before return.

(iv) Items for repair

Undress Trousers:

Seam
Zip
Waistclip
Pocket, Patch/Sew
Pocket, Replace (Half Pocket)
Shorten Leg Length
Belt Loop

Workwear Trousers

Shorten Leg Length

Undress Jacket:

Button
Lining
Pocket
Seam
Shorten Sleeve

Undress Skirt:

Zip
Hook and Bar (Waistband)
Button (Waistband)
Seam
Lining
Hem

Laundry and Dry-cleaning Services – Evaluation Summary

Recommended successful bidder

1. The recommendation to the Commissioner seeks authority for the Assistant Director, Technical and Commercial to award a contract for the provision of laundry and dry-cleaning services. The proposed successful bidder is Berendsen (UK) Limited, who would be appointed under the Crown Commercial Services framework RM1031. The current budget for this service is £380,000.00 and it is expected that the new service will be delivered within this sum. The services are to commence 1 November 2018.

The Procurement Process

2. A mini-competition was run via the CCS Framework RM1031 for Laundry and Linen Services. 11 Suppliers were invited to tender however disappointingly only one compliant bid was received. All the suppliers who did not submit a bid were contacted post tender to establish the reasons, which are shown in Table 1 below.

Table 1 – Tender List

Suppliers Invited to Tender	Response
Berendsen UK Ltd	Tender submitted
Central Laundry Ltd	Insufficient capacity to take on this contract
East Lancashire Hospitals NHS Trust (ELHT)	Small Laundry in North West therefore unable to deliver this contract
East Sussex Health NHS Trust	Contacted post tender with nil response,
Express Linen Services Ltd	Unable to compete due to the distance of the LFB locations
Grosvenor Contract (London) Ltd	Missed the opportunity.
Maidstone and Tunbridge Wells NHS Trust	Contacted post tender with nil response,
Royal Devonshire and Exeter Hospital	Do not operate within the M25
Salisbury Trading Ltd	Contacted post tender with nil response,
Synergy Health Managed Services Ltd	Contacted post tender with nil response,
Pennine Acute Hospitals NHS Trust	Undergoing staff changes.

Quality

3. The quality submission of the successful tenderer was marked against the criteria in Table 4 (below) which resulted in them gaining a score of 31 out of 60. As a result of this disappointing score, Berendsen were invited to a clarification meeting to provide more detail

and clarity on areas of their bid. Although not reflected in their bid Berendsen do operate a process dedicated to the London Fire Brigade which includes a systematic barcoding process, scheduled collections and deliveries and regular contact with the Contracts Management Group to identify and resolve any issues quickly. This detail was lacking in the bid.

4. Berendsen are the incumbent supplier and have been providing a good service since that contract began in February 2013. The current system works well and Berendsen have provided assurance that, the Commissioner will continue to receive the current level of service. To improve the quality of data received from this contract the Key Performance Indicators' have been made more stringent and the reporting of management information will be agreed with the supplier.

Table2 – Quality Evaluation Criteria of the single bid received

Criteria	Item	Section Weighting		Sub-Category	Maximum Weighted Score	Weighted Score	Overall Weighting
Quality	Technical	20	1.1.1	Approach to delivering contract	10	4	60%
			1.1.2	Management Information	10	6	
	Contract Management	30	1.2.1	Key Personnel and Customer Services	10	6	
			1.2.2	Delivery Schedule	5	2	
			1.2.3	Track and Trace	5	3	
			1.2.4	Implementation Plan	10	4	
	Social Value/ Environmental	10	1.3.1	Transport	5	3	
			1.3.2	ETI Base Code	5	3	
Successful Tenderer's total Weighted Score out of 60						31	

Pricing

5. In the absence of other bids, the tenderer was awarded full marks for pricing. A comparison was carried out against the current and new contract prices which shows that the tenderer has offered reduced pricing for most of the items in the price schedule. Although detailed spend data is not available on the usage profiles for individual items, it is anticipated that an average of 10% savings will be produced based on the reduction of prices.

6. Officers did engage with the Supplier to explore whether the actual amount of savings could be ascertained, however as mentioned above there are currently no systems in place that accurately capture the usage profiles for items in the contract. This has however been addressed in the new contract and the Brigade's Contract Manager will work closely with the supplier to develop clear, concise management information that can be used for reporting purposes. In view of the current lack of profiled data, a review will be undertaken after the first year to determine the exact amount of cashable savings which will then be incorporated into the Brigade's annual budget savings.

Table 3 – Managed Tea Towel Service

Item	New Contract Price	Current Contract price
Tea Towel	0.32	0.33

Table 4 – Group 1 Laundry Items

Item	New Contract Price	Current Contract Price
Sleeping Bag	5.24	5.59
Shirts	1.40	1.49
T-Shirts	1.03	1.10
Trousers (workwear or other)	2.84	3.02
Jacket	3.45	3.67

Table 5 – Group 2 Laundry Items

Item	New Contract Price	Current Contract Price
Apron (Cooks)	0.45	0.48
Oven Gloves	0.50	0.67
Boiler Suit	1.47	1.57
Table Cloth	0.95	1.29
Hand Towel	0.37	0.39
Bath Towel	0.58	0.62
Pillowslip	0.43	0.41
Mattress Cover (Calico)	1.23	1.17
Tabards, Reflective	1.04	0.99
Sweatshirts	1.19	1.14
Fleece	1.10	1.05

INDIVIDUAL ITEMS: DRY CLEANING

7. Table 6 below shows the individual prices for dry-cleaning inclusive of delivery costs.

Table 6 – Dry Cleaning Items

Item	New Contract Price	Current Contract Price
Anorak	6.60	8.10
Curtain (Per square metre)	6.57	7.30
Jacket,	3.45	3.67
Trousers,	2.85	3.02
Skirt,	1.40	3.54
Pullover, NATO Style	2.17	2.32
Overcoat, Undress	1.25	1.34
Raincoat	1.25	1.34

8. The methodology for pricing repairs will change in the new contract with the cost allocation being based on the time taken to carry out the repair rather than the current practice which relates to the type of garment repair. There is no data available that will allow for a direct comparison to current pricing, however this will be closely monitored by the Brigade's Contract Manager for the new contract and if repairs costs exceed the current prices the contract manager will look at alternative solutions or review the situation. This service will be managed by the Contract Management Group and clear expectations regarding reporting and management information will be agreed during the contract implementation phase.

Table 7 – Clothing Repairs: Individual Items

Repair Code	Description	Repair Time	Item Number	Item Name	Type of Repair	Price (£)	Chargeable
Band 2	Standard Band 2	Less than 10 mins	REPAIR002	Repair Band 2	N/A	5.50	Yes
Band 3	Standard Band 3	11-15 mins	REPAIR003	Repair Band 3	N/A	8.65	Yes
Band 4	Standard Band 4	16-20 mins	REPAIR004	Repair Band 4	N/A	11.08	Yes
Band 5	Standard Band 5	21 mins +	REPAIR005	Repair Band 5	N/A	13.60	Yes

Finance comments

The report notes that the award of this contract is expected to result in savings of 10%, which would be equivalent to £38k over a four-year period. Any saving achieved will be considered as part of the budget saving process for future years.