

DMPC Decision – PCD 1324**Title: Contract Award – Cleaning Contract****Executive Summary:**

This paper seeks the approval of contract award for the provision of a cleaning service for the Metropolitan Police Service (MPS) buildings. The proposed contract term will be for an initial three-year term with two 2-year optional extensions. The initial term annual fixed price is £15,041,444 and the total up to seven year contract value (including estimated inflation) is £111,389,545. The cost will be funded from within the MPS existing budget.

Recommendation:

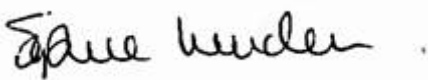
The Deputy Mayor for Policing and Crime is recommended to:

1. Approve a cleaning contract award to Churchill Contract Services who submitted the most economically advantageous tender (MEAT), following a compliant procurement, for a base term of 3 years plus two optional 2-year extensions (total contract value £111,389,545).

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature**Date 23/01/2023**

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The current cleaning contract expires on 29 April 2023. MOPAC approved the initiation of re-procurement in March 2022 - see PCD 1140.

2. Issues for consideration

- 2.1. The services included in the contract are
- Planned routine cleaning
 - Reactive cleaning
 - Periodic planned cleaning
 - Provision of consumables
 - Provision of consumables via Call-Off by the Authority's business groups
- 2.2. The MPS assure that the service ensures that property occupied by MPS officers, staff and visitors is cleaned as required in a legally compliant order. This cleaning is paramount to supporting operational requirements.
- 2.3. As the proposed contract award value is in excess of the estimated contract value in the decision PCD 1140 to initiate the procurement the approval for contract award requires MOPAC approval.

3. Financial Comments

- 3.1. The estimated annual contract value of the proposed award for the initial three-year term is £15,041,444. The total contract value over the potential seven years is £111,389,545.
- 3.2. The MPS assure that the estimated costs can be met from within their existing budget.

4. Legal Comments

- 4.1. The MPS Legal Services assure that the route to market, tender process and the recommendations in this paper are compliant with Public Contract Regulations.
- 4.2. Paragraph 4.14 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has reserved the right to call in:-
- Any MPS proposal to award a contract for £500,000 or above.

5. Commercial Issues

- 5.1. At the approval for the initiation of procurement the expected total seven year contract value was £98m. Following a compliant procurement and based on tender responses the estimated contract value is £111,389,545.

- 5.2. The proposed contract term will be for an initial three-year term at fixed prices with two 2-year optional extensions.
- 5.3. The contract award include obligations for full compliance with Modern Slavery Act 2015, minimum payment of London Living Wage, alignment with MPS environmental strategy and vehicle emissions in line with ULEZ requirements. The bidders responses were evaluated including London Anchor Institution charter objectives including delivering local employment, inclusion and diversity values included within their workforce, apprenticeship schemes, innovations into reducing their carbon footprint whilst working towards carbon net-zero, and innovation and sustainability in their supply chain.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that there is no use of personal information in regard to staff or public within this contract, so there are no GDPR issues.

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS assure there to be no negative equality or diversity implications arising from this process negating the requirement to present any mitigation. Any approved suppliers have been evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC.

8. Background/supporting papers

- Appendix 1 MPS Report – Cleaning Services Contract Award

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

Commercial issues are covered in the body of the report.

✓

GDPR/Data Privacy

GDPR compliance issues are covered in the body of the report .

✓

Drafting Officer

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

Director/Head of Service:

The interim MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

Date 13/12/2022

Manakuchford.

Cleaning Services Contract Award

MOPAC Investment Advisory & Monitoring meeting 3rd November 2022

Report by Roy Bean on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

Following procurement for the provision of cleaning services to the MOPAC estate approved in DMPC decision note “PCD 1140 dated 17th March 2022”, this Business Justification Paper (BJP) requests approval to award the contract for cleaning services to the successful bidder. The earlier approved paper identified the delivery strategy for the service and the tender exercise undertaken by the MPS was based on that approved strategy and delivery model.

This paper sets out the detail and requests approval to award the contract to Churchill Contract Services who submitted the most economically advantageous tender (MEAT), following a compliant procurement, for a base term of 3 years plus two optional 2-year extensions (total contract value £111m).

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

2. Approve a cleaning contract award to Churchill Contract Services who submitted the most economically advantageous tender (MEAT), following a compliant procurement, for a base term of 3 years plus two optional 2-year extensions (total contract value £111m).

Time sensitivity

A decision is required from the Deputy Mayor by 17/11/2022. This is because the current cleaning contract with ‘Servest’ has been extended from 1st April 2022 to 29th April 2023 and there are no further extension routes available.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

On 17th March 2022, DMPC decision PCD 1140 approved the following:

- An amendment to the current cleaning Contract with Servest, to extend the reassurance cleaners and reassurance cleaning service employed during the pandemic to 29th April 2023.
- The re-procurement of the Cleaning Service Line via a Restricted Competition Procurement Procedure in line with Public Contracts Regulations 2015 (PCR2015).

Service details

The ITT included the 'good service' model standard of cleaning based on a hybrid of input and output specification detailed in the PCD 1140 approval.

The Cleaning contract covers the entire estate of 234 locations (per the Authority's building service matrix – treating location as a single entity even if there are several buildings at that location), covering:

1. Planned routine cleaning
2. Reactive cleaning
3. Periodic planned cleaning
4. Provision of consumables
5. Provision of consumables via Call-Off by the Authority's business groups

This procurement addresses the identified need for cleaning concerning our COVID Secure workspaces, to all of our building users and particularly those working on the front line; ensuring we have been compliant and enabling a positive response to challenges from the Health and Safety Executive and the Federation, MET-TUS and Staff Associations. It has also improved perception of cleaning standards across the estate.

Issues for consideration

The procurement and lotting is fully aligned to the procurement paper approved in PCD 1140

Based on the NPV of the existing contract with Servest, the proposed award offers better value over the contract period.

Centrally agreed inflation uplifts are not included in the scope of this paper and subject to these tracking any increases to the London Living Wage, no additional budget will be required. If inflationary increases/allocations fail to match these negotiations a review will need to be undertaken for a reduction in the cleaning services scope.

A cost analysis has been undertaken to compare the tender price submission received from bidders against current cleaning contract costs. This is shown in the table below applies a 5% inflationary comparison for the first three years, reverting to 3.9% per annum for the remaining four option years.

The table below gives a cost comparison between the current contract and the bids received that is inclusive of annual wage increases

Comparison Years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Full Term
Current with AWE	£15,721,437.09	£16,507,508.94	£17,332,884.39	£18,008,866.88	£18,711,212.69	£19,440,949.98	£20,199,147.03	£125,922,006.99
Bidder 4	£15,041,443.60	£15,041,443.60	£15,041,443.60	£15,628,059.90	£16,237,554.24	£16,870,818.85	£17,528,780.79	£111,389,544.58
Bidder 5	£14,873,493.45	£14,873,493.45	£14,873,493.45	£15,453,559.69	£16,056,248.52	£16,682,442.21	£17,333,057.46	£110,145,788.22

Three suppliers withdrew during the tender period. The annual cost values received from bidders 4 and 5 are shown below at NPV at the time of tendering.

Bidder 4	Bidder 5
£14,432,191	£14,264,240

Contributes to the MOPAC Police & Crime Plan 2022-251

This provision ensures that property occupied by MPS officers, staff and visitors is cleaned as required in a legally compliant order. This cleaning is paramount to supporting operational requirements. The provision relates to contracts that cover the 32 boroughs of the Greater London area, and a number of other locations outside the geographical area of the MPS.

Financial, Commercial and Procurement Comments

The contract for Cleaning Services is managed within the current annual Building Maintenance budgets of £69m. Property Services will not require additional funding for this new contract.

A compliant tender exercise has been completed; an award now needs to be concluded to allow an adequate transitional period to the new service provider

8 bidders expressed interest for the SSQ (stage 1) and 5 qualified for the ITT (stage 2). In the end 2 bidders provided competitive tenders; each submission was evaluated against the criteria outlined in the table below

CRITERIA	TITLE	WEIGHTING
A	Technical Information - Services Description Schedule	30%
B	Commercial Assessment	Pass/Fail
C	Social Value, Sustainability and Environment Assessment	15%
D	Business Continuity and Disaster Recovery Assessment	5%
E	Health and Safety Assessment	5%
F	Security Assessment	Pass/Fail
G	TUPE and Pensions Assessment	5%
H	Pricing	40%
TOTAL		100%

Supplier	Quality Score	Cost Score	Total Score (cost & Quality)
Bidder 4	41.39	39.63%	80.75
Bidder 5	36.40	40.00%	76.40

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

Bidder 4 achieved the highest overall score as result of evaluation against the cost and quality criteria included in this tender.

The agreements will be awarded on for a base term of 3 years plus two optional 2-year extensions as set out in the outsourcing BJP.

Corporate and Social Responsibility and achieving Social Value was a point of focus in the tender; to name a few activities of CSR:

- Contractual obligations and close audit of full compliance with statutory and social obligations as at Modern Slavery Act 2015
- Building into the contract payable hourly rates of minimum London Living Wage
- Utilising the social value objectives set out in the government guidance documents
- Build into the contract a requirement to align with MPS environmental strategy and support Net Zero 2030 objectives
- Include in tender questions requirements for vehicle omissions being in line with ULEZ requirements.

Anchor Institution Charter

The following five key objectives agreed by the London Recovery Board:

- To reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of Covid-19
- Narrow social, economic and health inequalities
- Help young people to flourish with access to support and opportunities
- Support our communities, including those most impacted by the virus
- Accelerate delivery of a cleaner, greener London

Will be achieved through ensuring that the bidders compete for this contract based on obligations to:

- deliver local employment and their innovation in doing so;
- have inclusion and diversity values that are reflected within their workforce;
- have apprenticeship schemes in place; and
- bring innovations into reducing their carbon footprint whilst working towards carbon net-zero
- demonstrate innovation and sustainability in their supply chain
- Innovations in the operations and product delivery (use of AI/ integration with BMS systems)

The bidders responses was evaluated on above criteria which will form an integral part of MOPAC's intended contract obligations on the supplier.

The CSR and Social Value elements (including the anchor institution charter) have been built into the scope of service.

Legal Comments

The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of, and modifications to, public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms the proposed award of contract is compliant with the Regulations.

Commercial Services and the Directorate of Legal Services shall assess the terms of a proposed contract agreement.

The Deputy Mayor for Policing and Crime has delegated authority to approve all contracts with an original value of £500,000 or above.

Equality Comments

There are considered to be no negative equality or diversity implications arising from this process negating the requirement to present any mitigation. Suppliers have been evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC. The evaluation exercise considered their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

In addition, it should be noted that the MPS support the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Inclusion, Diversity and Equality, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

Each of the re-procured contract will continue in the delivery of the key principals to the London Anchor Institutions' Charter through the following:

1. Continue to deliver local employment and their innovation in doing so;
2. have inclusion and diversity values that are reflected within their workforce;
3. work towards achieving 80% recycling;
4. have apprenticeship schemes in place; and
5. bring innovations into reducing their carbon footprint whilst working towards carbon net-zero

Privacy Comments

The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the procurement process meets its compliance requirements.

The programme/project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

This contract is critical to the maintenance and hygiene of the MOPAC estate and therefore supports delivery of operational policing from an estate point of view ensuring the safety and health of staff and officers but also complying with statutory obligations for the health safety and welfare of MPS Officers, Staff, Detainees and Visitors as well as others effected by our actions or omissions in this area.

Background/supporting papers

There are no supporting papers included in part 1

Report author: Roy Bean – MPS Property Services

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Cleaning Services paper is exempt from publication for the following reasons:

All information that is necessary for publication and in the interest of public is specified in Part One. Part two in general includes information that are exempt from publication under FOI per below:

29. The economy – (the budgetary information which are the financial interests of The Metropolitan Police Service)

40. Personal Information – (details of individuals employed by MOPAC who have worked on the business case)

43. Commercial Interest – (the information on spending which would prejudice the commercial interests of the Metropolitan Police Service)

The paper will cease to be exempt until 29/04/2030