

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** AWARD OF CONTRACT FOR CLEANING AND JANITORIAL SERVICES

**PORTFOLIO HOLDER:** COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

**LEAD OFFICER:** ANDREW MURRAY, DIRECTOR OF HOUSING (01279) 446676

**CONTRIBUTING OFFICERS:** WILL HALES, SENIOR PROPERTY AND ASSETS MANAGER (01279) 446641

WENDY MAKEPEACE, ASSISTANT DIRECTOR – HOUSING AND PROPERTY (01279) 446342

TINA MCDERMOTT, CONTRACTS MANAGER (01279) 446175

SCOTT MERRY, SENIOR STEWARD (01279) 446699

**This is a Key Decision**

**It is on the Forward Plan as Decision Number I015590**

**Call-in Procedures may apply**

**This decision will affect no ward specifically.**

**RECOMMENDED that** subject to formal contract:

- A** A building cleaning and janitorial services contract is entered into with HTS (Property & Environment) Limited (HTS) for a period of three years commencing on 1 April 2023, subject to agreement of the terms and conditions with an option, at the sole discretion of the Council, to extend the contract for three years; and
- i) so far as any new sites are concerned, the conclusion of mandatory formal consultation with the transferee's existing employees and confirmation that HTS will provide pension protection which is the same as, broadly comparable or better than those they had the right to acquire prior to the transfer; and
  - ii) clarification on the final cost of the new services taking into account the matters referenced above and any necessary minor adjustments to the Council's cleaning specification.

- B** Delegation authority be given to the Director of Housing in consultation with the Portfolio Holder for Finance to finalise the terms and make the necessary legal and financial arrangements.

## **REASON FOR DECISION**

- A** To enter into a contract for janitorial and building cleaning services for a period of three years in accordance with Contracts Standing Orders.

## **BACKGROUND**

1. Pursuant to a Cabinet decision on 12 September 2019, the Council entered into a three year contract with HTS. That contract was later extended for a period ending 31 March 2023.
2. During this period HTS have provided a satisfactory service and a good working relationship has developed between the respective management teams.
3. The Council is able to award the contract to HTS as it exercises control over the company similar to that which it exerts over its own departments. This control exempts the Council from the usual public procurement rules.
4. The current cleaning service contract awarded to HTS in 2019 covers cleaning and janitorial services at the Civic Centre and building cleaning services at the Bus Station, the Latton Bush Centre, Bush House Offices, Harlow Museum, Pets Corner and Barbara Castle Health Centre.
5. In the interest of creating greater economies of scale and delivering operational efficiencies, subject to resolving site specific and pricing arrangements, the proposed cleaning and janitorial services contract is to include the Harlow Playhouse Theatre as an additional site.
6. Further additional services may be required from time to time including services at other sites in the Council's Commercial Portfolio. In these circumstances, the Council will prepare an appropriate specification, and HTS will be given the opportunity to price for the additional services within the scope of the contract. The Council is not bound to offer HTS any additional services whatsoever.

## **BUSINESS CASE EVALUATION**

7. The qualitative assessment has been measured against a series of questions raised within the invitation for HTS to submit a Business Case proposal that covered the following themes:
  - a) Risk assessments and method statements;
  - b) Programme of work;

- c) Management and staff resources and business continuity;
  - d) Training initiatives and employment opportunities;
  - e) Environmental management and sustainability;
  - f) Potential savings and efficiencies; and
  - g) Performance measures and indicators.
8. HTS submitted a satisfactory quality bid with potential for savings over the longer term, and will (where necessary) fully implement the arrangement for TUPE transfer of staff from any new sites added to the contract.
  9. As the Council is a Living Wage employer, HTS is also required to pay the Living Wage to the transferring employees.
  10. The annual value of the contract across the proposed eight sites is £267,157 (exclusive of emergency call outs which will be charged on agreed hourly rates), subject to any adjustment required following the conclusion of mandatory formal consultation with the transferee's existing employees.

## **IMPLICATIONS**

### **Strategic Growth and Regeneration**

None specific.

**Author: Andrew Bramidge, Chief Executive**

### **Finance**

As set out in the report.

**Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance**

### **Housing**

As outlined in the report.

**Author: Andrew Murray, Director of Housing**

### **Communities and Environment**

None specific.

**Author: Jane Greer, Director of Communities and Environment**

### **Governance and Corporate Services**

The award of the cleaning contract to HTS Property and Environmental Services Limited (HTS) complies with Contract Standing Orders that enable the Council to award the contract via a successful business case. The Council is working with HTS to settle all TUPE and any ancillary employment matters as part of contract mobilisation.

**Author: Simon Hill, Director of Governance and Corporate Services**

## **Appendices**

None.

## **Background Papers**

None.

## **Glossary of terms/abbreviations used**

HTS – HTS (Property and Environment) Ltd

TUPE - Transfer of Undertakings (Protection of Employment)