

		AGENDA ITEM NO.																															
Report Cover Sheet																																	
Name of Meeting:		Executive																															
Date of Meeting:		23.7.07.																															
Report Title:		Contract for Cleaning of Communal Areas of Housing Properties																															
Summary of report:		Retrospective consent sought for the extension of the existing contract from April 2007 to March 2008 to allow for the cleaning contract to be re-tendered under EU procurement rules.																															
For Further Information Please Contact (report author):		David Ward, Housing Manager 01926 456432 dave.ward@warwickdc.go.uk																															
Would the recommended decision be contrary to the Policy Framework:		No																															
Would the recommended decision be contrary to the Budgetary framework:		No																															
Wards of the District directly affected by this decision:		Leamington Crown, Milverton, Clarendon and Warwick North, West, South.																															
Key Decision?		Yes																															
Included within the Forward Plan?		Yes Ref No 21																															
Is the report Private & Confidential		No																															
Background Papers:		Reports to Executive 12.12.05 and 27.3.06 – Contract for cleaning of communal areas to housing flats.																															
Consultation Undertaken																																	
Below is a table of the Council's regular consultees. However not all have to be consulted on every matter and if there was no obligation to consult with a specific consultee they will be marked as n/a.																																	
<table border="1"> <thead> <tr> <th>Consultees</th> <th>Yes/ No</th> <th>Who</th> </tr> </thead> <tbody> <tr> <td>Other Committees</td> <td>No</td> <td></td> </tr> <tr> <td>Ward Councillors</td> <td>No</td> <td></td> </tr> <tr> <td>Portfolio Holders</td> <td>Yes</td> <td>Councillor Doody</td> </tr> <tr> <td>Other Councillors</td> <td>Yes</td> <td>Councillor Grainger</td> </tr> <tr> <td>Warwick District Council recognised Trades Unions</td> <td>No</td> <td></td> </tr> <tr> <td>Other Warwick District Council Service Areas</td> <td>No</td> <td></td> </tr> <tr> <td>Project partners</td> <td>No</td> <td></td> </tr> <tr> <td>Parish/Town Council</td> <td>No</td> <td></td> </tr> <tr> <td>Highways Authority</td> <td>No</td> <td></td> </tr> </tbody> </table>				Consultees	Yes/ No	Who	Other Committees	No		Ward Councillors	No		Portfolio Holders	Yes	Councillor Doody	Other Councillors	Yes	Councillor Grainger	Warwick District Council recognised Trades Unions	No		Other Warwick District Council Service Areas	No		Project partners	No		Parish/Town Council	No		Highways Authority	No	
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Residents	No	
Citizens Panel	No	
Other consultees	No	
Officer Approval		
With regard to officer approval all reports must be approved by the report authors relevant director, Finance Services and Legal Services.		
Officer Approval	Date	Name
Relevant Director(s)	26/6/07	Mary Hawkins
Chief Executive	28/6/07	Chris Elliott
CMT	28/06/07	
Section 151 Officer	28/06/07	Mary Hawkins
Legal	21/6/07	Karen Herbert
Finance	21/6/07	Sandra Jones
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. RECOMMENDATION(S)

- 1.1 That the Executive gives retrospective approval for extending the current contract from April 2007 to allow a tendering process to take place so that a new contract can be awarded with effect from April 2008.

2. REASON(S) FOR THE RECOMMENDATION(S)

- 2.1 The Council employs contractors to clean the internal communal areas of various blocks of flats. These areas include hallways, lifts, stairways, entrance foyers and refuse container storage areas.
- 2.2 The current contract was let in April 2001 for an initial period of three years and formally reviewed annually.
- 2.3 The contract has been running relatively satisfactorily with no major increases in costs other than the annual cost of living index and minimum wage adjustments. The contract was extended on an annual basis in April 2004 and again in April 2005.
- 2.4 At its meeting on 12 December 2005, the Executive gave approval for the re-tendering of the cleaning contract for Council owned flats. It also gave retrospective approval for extending the current contract for two years from April 2004.
- 2.5 At its meeting of 27 March 2006, the Executive approved the further extension of the cleaning contract for one year.
- 2.6 The new contract was due to be let in April 2007 but has been delayed in order to ensure that the tender process conforms to revised EU procurement rules and to allow for an examination as to whether efficiencies could be gained by procuring the work jointly with County Council office cleaning contracts.
- 2.7 The differing nature of cleaning communal areas of residential dwellings and office accommodation means that packaging the work together is unlikely to achieve any efficiencies and may even increase costs. It is therefore necessary to seek a further extension to the existing contract to allow for the necessary tendering exercise.
- 2.8 The Council's Code of Contract Practice states that if tenders are not sought for a contract, a report must be made to the Executive seeking approval for an extension. It is appropriate, therefore, to report the circumstances to the Executive and for retrospective approval to be obtained for the extension of the contract period, from April 2007 for a maximum 12 month period, to allow a new contract to be awarded. It is intended that the cleaning service will continue to be provided at existing sites when the new contract is let and in the interim.

3. ALTERNATIVE OPTION(S) CONSIDERED

- 3.1 An alternative option is not to provide a cleaning service. However, if the contracted cleaning service is withdrawn, then this will have implications for service delivery and will result in decreased levels of tenant satisfaction. Tenants would need to undertake cleaning of communal areas themselves and participate in unenforceable cleaning rotas.

4. BUDGETARY FRAMEWORK

- 4.1 The current value of the contract is greater than £50,000 per annum which will trigger the EU procurement process.
- 4.2 The extension to the contract can be accommodated within existing budget.
- 4.3 The tendering process can be accommodated within existing staffing resource.

5. POLICY FRAMEWORK

- 5.1 The Council's Code of Contract Practice requires the demonstration of the achievement of value for money, a contribution to the delivery of a high quality service, compliance with legal requirements and maintenance of the integrity of the Council and fairness between potential providers when work is procured. Tendering would achieve all these requirements.
- 5.2 The Code also requires five formal tenders for any contract valued in excess of £50,000. The new contract value exceeds the relevant threshold for EU procurement and the use of the restricted tendering procedure in line with EU requirements is envisaged. It is anticipated that the procedure to allow the award of a new contract will not be completed earlier than April 2008.