

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref: NLC-CPT-23-111

Date: 20 November 2024

Contract Award for Supply and Delivery of Janitorial Products

From Lyall Rennie, Chief Officer (Community Operations)

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Executive Summary

This report is to advise Committee of the decision taken in accordance with condition 21.3.2 of the Council's General Contract Standing Orders (GCSO's) where in the absence of committee, the Depute Chief Executive on 7 August 2024, approved the award of a contract for Supply and Delivery of Janitorial Products (the 'Agreement') to Arrow County Supplies Limited.

The approval to award the Agreement in accordance with GCSO 21.3.2 was sought due to extension periods applied within the procurement procedure that resulted in a delayed evaluation process. Additionally, the previous contract expired on 19 July 2024 and given the importance of requirements within the Agreement which are required to enable clean and safe properties throughout the council's estate, an expedited award process is required to ensure compliance with relevant regulations, standards etc.

The Agreement was formally awarded on 28 August 2024 and is for an initial period of 22 months that commenced on 16 September 2024. The council reserves the right to extend the Agreement for additional periods up to a maximum of a further 24 months in two 12-month periods.

The maximum value of the Agreement is FIVE MILLION FIVE HUNDRED THOUSAND POUNDS STERLING (£5,500,000) exclusive of VAT.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledges the award of the Agreement to Arrow County Supplies Limited at the maximum value of FIVE MILLION FIVE HUNDRED THOUSAND POUNDS STERLING (£5,500,000) exclusive of VAT.

The Plan for North Lanarkshire

Priority	Improve economic opportunities and outcomes
Ambition Statement	All ambition statements
Programme of Work	Sustainable Futures

1. Background

- 1.1 The council has an ongoing requirement to purchase cleaning and janitorial products including a wide range of products such as rubber gloves, disinfectant, toilet paper, mops, hand towels, soaps, refuse sacks, washing up liquid etc.
- 1.2 The requirements of the Agreement are used at approximately 500 properties within North Lanarkshire and vital to ensure that all staff can perform their duties effectively and efficiently whilst ensuring properties are clean and fit for purpose.
- 1.3 The requirements within the Agreement are currently under contract with Arrow County Supplies Limited. This arrangement expired on 19 July 2024 and the Agreement detailed within this report will supersede it.
- 1.4 Based on recent financial data, the council historically spends on average circa £1m annually for these requirements. Although purchased throughout the council, Facility Support Services (FSS) are by far the biggest spend area making up circa 48% of the councils total spend.
- 1.5 Historically, the council as a collective spends on average £1m of revenue budget per annum on the requirements. However, costs have increased over the recent past given the well-publicised rise in inflation and cost of living. Accordingly, the Agreement includes a provisional contingency sum to cover any increase in cost whilst also providing flexibility in the event of product changes etc. However, the council offers no guarantee to any or all of the maximum value / budget applied within the Agreement being spent.
- 1.6 Additionally, the Agreement also includes a capital budget of circa £250k for the outright purchase of unbranded soap, hand towel etc. dispensers. This requirement to purchase dispensers outright is an option within the Agreement and will be pertinent to the council identifying appropriate funding.
- 1.7 Dispensers are currently provided free on loan by the incumbent supplier however their replacement (in the event of a supplier change) can lead to significant disruption and charges as suppliers will not place their own products in other suppliers branded dispensers. Accordingly, purchasing and installing unbranded dispensers throughout the councils estate should futureproof ongoing service provision whilst also potentially enabling greater competition within the next procurement procedure to replace this Agreement.

2. Report

- 2.1 A group of technical and procurement representatives was formed to develop and agree the procurement strategy for the Agreement to enable the council to achieve maximum benefit for the requirements.
- 2.2 The initial estimated value of the Agreement dictated that the procurement procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015.
- 2.3 The procurement procedure was undertaken as a mini competition from the Scotland Excel Supply and Delivery of Janitorial Products (1222) framework agreement, Lot 4 – One Stop Shop (the “Framework”).
- 2.4 Invitation to Tender documentation was issued to seven companies appointed to the Framework with the council receiving seven tender submissions.
- 2.5 This recommendation to award the Agreement follows the completion of a procurement procedure where the tender received Arrow County Supplies Limited has been evaluated as demonstrating Best Value for the council.

- 2.6 Appendix 1 confirms the scoring achieved by each tenderer, further details of the procurement procedure is provided in Appendix 2 and the SME status and location of all tenderers is located within Appendix 3.

Financial / Budget Consideration

- 2.7 As above, the pre-tender whole life estimate budget for the Agreement was FIVE MILLION FIVE HUNDRED THOUSAND POUNDS STERLING (£5,500,000) exclusive of VAT.
- 2.8 Following conclusion of the procurement procedure, it has been identified that unit rates tendered by Arrow County Supplies Limited resulted in a circa £19,500 saving per annum when compared to their existing rates within the Framework. Additionally, Arrow County Supplies Limited have also committed to a 30% discount against their retail price at time of order for products not included within the Agreement or the Framework.
- 2.9 The costs associated with delivery of the Agreement will be contained within the revenue budgets for FSS and various other service areas throughout the council including education establishments, housing operations etc.

Price Stability

- 2.10 Prices within the Agreement are fixed for the initial 12 month period of the Agreement. Thereafter, prices may be subject to annual review however this review under no circumstances will introduce price increases greater than the latest / current value (%) as determined by the National Retail Price Index at time of a request.

Community Benefits

- 2.11 The council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.
- 2.12 The Community Benefit approach was directed by the Framework and within their tender, Arrow County Supplies Limited committed to deliver the following community benefits within the Agreement:

Community Benefit	Annual Delivery Target
Fundraising	Provide support to hold three fundraising events to local schools / homeless shelters, emergency services etc.
Community Volunteering	Improve access to local greenspace through four x annual litterpick events.
Employability Workshop / Event	Deliver a workshop focussing on CV writing, interview techniques and Investment and provide a BICS-accredited cleaning course for council cleaning managers.
Donation of Materials / Labour	£250 donation of goods to support litter picks, foodbank drives etc. within the council area
Sponsorship	Promote physical activity through sponsoring one local sports team e.g. financial support / facility investment.
Donation of IT Equipment	£500 donation to support an individual facing digital exclusion by donating used IT equipment.
Recruitment	One new person employed on Real Living Wage for local delivery / installation teams

- 2.13 The community benefits delivered as part of the Agreement includes / does not include the creation of jobs or apprenticeships.

Fair Work First

- 2.14 As part of the tender process for the Framework, Scotland Excel assessed areas such as how tenderer's will commit to fair work practices and confirmation that staff in Scotland are paid a minimum of the real living wage or higher. As this was assessed within the procurement procedure of the Framework, it could not be reassessed within the mini competition for the Agreement however Arrow County Supplies Limited confirmed that that they pay the Real Living Wage to all employees and committed to gaining associated accreditation.

Contract Management

- 2.15 Officers from FSS, Community Operations will be responsible for managing the Agreement which will be undertaken in accordance with the contract and supplier management conditions applied within the Agreement.

3. Measures of success

- 3.1 The Agreement will deliver the following outcomes;
- Best Value has been considered to be demonstrated given the route to market applied via the Framework, a circa £19,500 cost saving per annum being envisaged, the receipt of a 30% discount for products not included within the Agreement or the Framework, and a more robust contract and supplier management approach being applied within the Agreement.
 - the appointment of a supplier who has the experience and capability to provide the requirements in an efficient form of arrangement;
 - conclusion of a procurement procedure that is compliant with procurement legislation and internal procedures; and,
 - delivery of a range of Community Benefits in the form of a rebate provided direct to the council to apply accordingly.

4. Supporting documents

- 4.1 Appendix 1: Summary of Tender Evaluation Process
Appendix 2: Summary of Procurement Procedure
Appendix 3: SME Status and Location of All Tenderers
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Lyall Rennie
Chief Officer (Community Operations)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes No

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

Scotland Excel included a number of sustainability related method statements in the procurement of the Framework including the following:

- Reducing and improving the packaging on products to increase the use of recyclable or biodegradable packaging;
- Reducing the use of single use plastics;
- Sustainable certified products

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

All associated risks have been assessed and will be monitored through appropriate FSS corporate risk register. Ongoing assessment of all risks will also be discussed as part of the Contract Management arrangements with contractor

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1 – Summary of Tender Evaluation Process

Final Rank	Tenderer Name	Total Tender Score (%)	Recommended for Award (Yes / No)
1	Arrow County Supplies Limited	86.07%	Yes
2	Bunzl UK Limited	85.30%	No
3	Unico Limited	85.05%	No
4	Alliance Disposables Limited	79.90%	No
5	Enviroclean Global Limited	75.07%	No
6	GMC Corsehill Limited	67.39%	No
7	Instock Limited	N / A ¹	No

¹ During the evaluation process, Instock Limited advised the council that they withdrew their tender therefore it was not evaluated.

Appendix 2 – Summary of Procurement Procedure

	Response			
CPT Contract Reference Allocated:	NLC-CPT-23-111			
Procurement Procedure Utilised:	Mini Competition			
Governing Legislation / Regulations:	Public Contracts (Scotland) Regulations 2015			
Date Contract Strategy Approved:	16 April 2024			
Framework Owner:	Scotland Excel			
Framework Title:	Supply and Delivery of Janitorial Products			
Framework Reference Number:	1222			
Lot Reference / Title:	Lot 4 – One Stop Shop			
Companies Appointed to Framework / Lot:	Seven (7)			
Number of Companies Invited to Take Part:	Seven (7)			
Date ITT Published:	29 April 2024			
Tender Platform Utilised:	PCS-Tender (PCST)			
Tender Return Deadline:	12 Noon, 04 June 2024			
Number of Tenders Received:	Seven (7)			
Tenders from SME's:	Five (5)			
Tenders from NLC Based Tenderers:	None			
Tenders from Supported Businesses:	None			
Number of Non-compliant Tenders:	None			
Number of Compliant Tenders:	Seven (7)			
Number of Recommended Tenderers:	One (1)			
Basis of Award:	Quality:	25%	Price:	75%
Evaluation Team:	Officers from the Corporate Procurement Team, FSS (Community Operations and Housing Operations (Housing Management))			
Agreement Award Date	28 August 2024			
Anticipated Start Date of the Agreement:	01 September 2024			
Total Agreement Period (Months):	46 Months (22 + 12 + 12)			
Awarded Maximum Value of the Agreement:	£5,500,000			

Appendix 3 – SME Status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Registered Location (Local Authority / Council Area)
Alliance Disposables Limited	Large	Cheshire
Arrow County Supplies Limited	Medium	Shropshire
Bunzl UK Limited	Large	City of Westminster
Enviroclean Global Limited	Small	Falkirk
GMC Corsehill Limited	Small	North Ayrshire
Instock Limited	Medium	Aberdeen City
Unico Limited	Medium	Falkirk