

**DECISION NUMBER: PCCG-2019-003**

**OFFICE OF THE POLICE AND CRIME COMMISSIONER**

**LEAD CHIEF OFFICER:** Nigel Stephens – Assistant Chief Officer – Resources

**TITLE:** Provision of Cleaning Services

**DATE:** 14 December 2018

**TIMING:** Urgent

**PURPOSE:** For decision

**1. RECOMMENDATION**

1.1 To extend the contract with Solo Service Group Ltd which expires on the 31 March 2019 until the 30 September 2019, for four (4) initial months plus two (2) further individual months' extension.

**2. INTRODUCTION & BACKGROUND**

2.1 A Gwent Police EU Open procurement exercise was conducted for the Provision of Cleaning Services contract and resulted in a contract being awarded for an initial period of 1 October 2013 to 30 September 2016 with an option to extend for 2 years.

2.2 The permissible extensions available were utilised, and expired on the 30 September 2018.

2.3 Approval was obtained to extend the contract further from the 1 October 2018 to 31<sup>st</sup> March 2019 with the option for a 1 month extension to the 30<sup>th</sup> April 2019 (Decision No PCCG-2018-040) to allow for a compliant tendering procedure and award.

**3. ISSUES FOR CONSIDERATION**

3.1 A timetable was developed to allow for a specification to be developed and TUPE consultations to occur. However there was a difference between how much stakeholder input was needed by the nominated end user and what was actually provided in light of the lack of experience with some of the requirements being requested. Even though the end user has been granted overtime to address this contract it is affected if stakeholder input is not obtained when required. Therefore the original timetable is no longer achievable.

Procurement has escalated concerns of timetable slippage and additional extensions being required within the November 2018 Organisational Resource Board (ORB), in light of the above issues.

3.2	The request for this unforeseen extension is to allow time for a compliant tendering process to occur.
<b>4.</b>	<b><u>NEXT STEPS</u></b>
4.1	On approval of the report, contract extension documents will be issued to Solo and will need to be signed by both parties.
4.2	A compliant mini competition via the National Procurement Services (NPS) Facilities Management Service Lot 1 (Ref: NPS-CFM-0042-2015) will be the route to market to award the next contract. In addition to the cleaning requirements of all Gwent stations the following additional requirements will be built into the specification documentation: <ul style="list-style-type: none"> <li>- Pest control</li> <li>- Window Cleaning</li> <li>- Ground Maintenance</li> </ul>
<b>5.</b>	<b><u>FINANCIAL CONSIDERATIONS</u></b>
5.1	The cost of the initial four (4) month extension will be £50,864.85 (Excl VAT) per month which would be a total of £203,459.40. The additional two (2) individual months will be charged at £50,864.85 (subject to estate changes), full contract extension cost being £305,189.10. This also takes into account the living wage increase of 4.9% from the 1 April 2019.
5.2	As a result of this contract variation the contract value will be increased from £1,769,885.22 to £2,075,074.32.
5.3	If not all the requested months are utilised then associated charges would not apply.
<b>6.</b>	<b><u>PERSONNEL CONSIDERATIONS</u></b>
6.1	As part of this extension there will be no internal staffing/personnel implications above and beyond the normal requirements of the current service provided to the Commissioner.
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
7.2	The proposed extension period is not provided for under the terms of the original contract and therefore any further extension is not permitted under the Public Contract Regulations (PCR). This would therefore amount to an illegal direct award (please see Risk section).
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.

8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
9.	<b><u>RISK</u></b>
9.1	There is a risk that this four (4) month extension may be challenged by a competitor to our contracted provider on the basis that it is an illegal direct award.
9.2	<p>To mitigate this risk, we will publish a Voluntary Ex Ante Transparency (VEAT) Notice which will provide the market with advance notice of the proposed extension and they will then have a designated 10 day period to raise any concerns. If no concerns are raised in this time, they cannot challenge the award thereafter.</p> <p>In the event the extension was challenged, the available remedy to an aggrieved tenderer is for an award of damages to be made against the Police and Crime Commissioner for Gwent (as the contract has already been awarded the remedy of the contract being set aside is not available). However, the aggrieved tenderer would need to demonstrate their loss.</p> <p>Such risk is minimal in such circumstances as we would seek to mitigate the risk with the VEAT Notice and also due to the fact that the extension is to permit a PCR compliant tender. The risk of challenge is increased the more VEAT notices being issued</p>
10.	<b><u>PUBLIC INTEREST</u></b>
10.1	This report can be made available to the public.
11.	<b><u>CONTACT OFFICER</u></b>
11.1	Huw Pearce, Senior Procurement Officer
12.	<b><u>ANNEXES</u></b>
12.1	None.

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**Office of the Chief Constable**

I confirm that the Provision of Cleaning Services report has been discussed and approved at a formal Chief Officers' meeting.

It is now forwarded to the OPCC for approval purposes.

**Signature:**



**Date:** 14/12/18

**Police and Crime Commissioner for Gwent**

I confirm that 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.

The above request has my approval.

**Signature:**



**Date:**

23/1/19