

CONTRACTS & COMMISSIONING BOARD	
REVIEW POINT 3 (RP3) - CONTRACT AWARD REPORT	
Director of C&P via CCB £100k to £500k Nominated Cabinet Member via CCB >£500k to £5m Cabinet via CCB >£5m	
CCB AGENDA ITEM:	27.01.2022
Project name:	Corporate Cleaning and Security Services Contract
Dept. report author:	Dean Myles (Principal Facilities Manager, Commercial Investment and Capital)
Project Sponsor (Director or above):	Peter Mitchell (Interim Director of Commercial Investment and Capital)
Executive Director:	Richard Ennis (Interim Corporate Director of Resources) David Padfield (Interim Corporate Director of Housing)
Contract Manager:	Dean Myles (Principal Facilities Manager, Commercial Investment and Capital)
Report Version:	V5
Date report to go to CCB:	27 th January 2022
Next Review Date (RP4)	N/A

AWARD REPORT – CHECKLIST:

Estimated Contract start date:	01/04/22	
Estimated Contract end date - excluding any extension periods (for construction and works contracts, officers need to include the time period for the defects liability period):	31/03/26	
Is there provision to extend or vary this contract within the terms and conditions?	Yes	
Planned extension type (e.g., 2 x 1 yr, 3 years, etc):	1+1	
What is the maximum end date including all extensions?	31/03/28	
Has the supplier signed up to Premier Supplier Programme (PSP)? If yes, have you informed legal the PSP Supplier Participation Agreement will need to be included in the contract?	Y	
	Y	
An Equality Analysis has been undertaken, reviewed, and approved by the Equalities Manager, Denise McCausland	Y	
Awarded supplier's response to Equalities questions (section 8 of the Tender Response Document) has been sent to Equalities Manager, Denise McCausland		N
Has an electronic copy of the contract been requested?		N

STAGE 1 APPROVAL:

Strategic Procurement Manager	Matthew Devan	21/01/22
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STAGE 2 APPROVALS

Departmental sign-off	Who	Date Circulated	Date Approved
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Budget Approved by relevant dept. S151 Finance Officer	Matthew Davis	19/11/21	27/01/22
Confirm relevant Cabinet Member is sighted on the report	Cllr Callton Young	27/01/21	27/01/21
Confirm relevant Cabinet Member is sighted on the report	Cllr Patricia Hay-Justice	21/01/22	30/01/22
Interim Corporate Director of Resources	Richard Ennis	21/01/22	30/01/22
Interim Director of Commercial Investment and Capital	Peter Mitchell	21/01/22	27/01/22
Interim Corporate Director of Housing	David Padfield	21/01/22	27/01/22
Human Resources	Jennifer Sankar	26/11/21	21/01/22
Legal Services	Sonia Likhari	19/11/21	21/01/22
Equalities Manager	Denise McCausland	26/11/21	21/01/22
Relevant Head of Service C&P	Scott Funnell	19/11/21	20.01.22
CCB Inbox	ccb@croydon.gov.uk	<insert>	N/A
STAGE 3 APPROVALS (CCB)			
CCB sign-off		Approval reference number	Date
Director of C&P Director of Law & Governance Head of Commissioning & Procurement Director of Finance & deputy Section 151 Officer Commissioning & Procurement Governance Manager		CCB1723/21-22	01.02.2022

REPORT TO:	CABINET FEBRUARY 2022
SUBJECT:	Corporate Cleaning and Security Contracts
LEAD OFFICER:	Richard Ennis Interim Corporate Director of Resources David Padfield Interim Corporate Director of Housing Peter Mitchell Interim Director of Commercial Investment and Capital
CABINET MEMBER:	Councillor Patricia Hay-Justice, Cabinet Member for Homes Councillor Callton Young, Cabinet Member for Resources and Financial Governance
WARDS:	All
<p>CORPORATE PRIORITY</p> <p>Our priorities – 2021-2024 for Croydon will support the delivery of the new administration priorities as set out below:</p> <p>We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.</p>	
FORWARD PLAN KEY DECISION REFERENCE NO.: 5121CAB	

FINANCIAL IMPACT

The proposed award for the cleaning contract starts from 1st April 2022 to 31st March 2028 and award security from 1st April 2022 to 31st March 2028. Both with option to extend for further two years (4+1+1) up to maximum six years with a maximum combined value of £19,000,000.

In summary, both cleaning and security related expenditure under this proposed contract falls under the following categories:

- (i) expenditure required to deliver the Council's provision of essential statutory services at a minimum possible level
- (ii) expenditure necessary to mitigate additional in year costs

In addition, the main consideration for Finance based on the grounds for 'new' expenditure, as follows:

Prevent the Council's financial situation from getting worse deriving possible Health and Safety breaches, whereby lack of service provision will not enable the Council as a responsible Employer and Landlord, to ensure the safety of staff and tenants at the occupied buildings including extended temporary accommodations.

1. RECOMMENDATION

FOR CCB

The CCB is asked to recommend to the Cabinet to approve the recommendations set out below:

FOR CABINET

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

RECOMMENDATIONS

The Cabinet is recommended:

- 1.1 To approve the award of a contract for the provision of corporate cleaning services (Lot 1) for an initial period of 4 years, with an option to extend for up to two periods of twelve months each, up to a maximum contact term of 6 years, to bidder A (named in the Part B report) and for the contract value stated in the Part B report.
- 1.2 To approve the award of a contract for the provision of corporate security services (Lot 2) for an initial period of 4 years, with an option to extend for up to two periods of twelve months each, up to a maximum contact term of 6 years, to bidder G (named in the Part B report) and for the contract value stated in the Part B report.
- 2 To note the names of awarded providers will be released following the award decision.

2. EXECUTIVE SUMMARY

- 2.1 The purpose of this report is to seek Cabinet approval to award contracts respectively for Corporate Cleaning and Security Services.
- 2.2 On 17th February 2021, the Contracts and Commissioning Board (CCB) endorsed the recommended procurement strategy for delivery of the corporate cleaning and security services contract in accordance with the approved procurement strategy report (ref: CCB1658/20-21).
- 2.3 It was agreed to re-procure the corporate services in collaboration with temporary accommodation and development service in Housing to consolidate procurement of similar services which have traditionally been procured separately. This would prevent duplication of efforts and enhance aggregation of spend, maximising the Council's negotiation leverage particularly with driving business process efficiencies and obtaining good intelligence data.
- 2.4 The report outlines the procurement process that was undertaken and recommends the most economically advantageous tender award for the provision of both services. Exempt information is provided within the associated Part B report on this agenda.
- 2.5 The contract commencement dates will be 1st April 2022 for corporate security and 1st April 2022 for corporate cleaning.
- 2.6 The contents of this report have been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1723/21-22	01.02.2022

3. DETAIL

- 3.1 As a responsible Employer and/or Landlord, there is a need to meet the ongoing requirement for provision of cleaning and security services to the Council's estate which include corporate, housing, temporary accommodation, and social care related properties. This is to provide clean, safe places of work for all employees, workers and residents and take their welfare and security needs into account to meet our legal duties.

Existing Contracts

- 3.2 The existing corporate contracts were originally awarded to Churchill Contract Services Ltd (Ref: 25/15/CAB) for cleaning services and Profile Ltd (Ref: 2616FT) for security provision, commencing from 3rd July 2016 to 2nd July 2021. Extension periods of 4+4 months until 1st April 2022 and 1st April 2022 respectively were approved as a delegated decision to allow sufficient time to complete the procurement process and deal with the capacity issue within the FM team.

Service Demand

- 3.3 As part of the comprehensive commissioning review, a pre-market engagement exercise and spend analysis was carried out to help inform the Council's proposed procurement strategy, in accordance with the approved procurement strategy report (ref: CCB1658/20-21).
- 3.4 The new long term corporate cleaning and security contracts are intended to reduce duplication of efforts across the Council, improve business process efficiencies, access good data intelligence, and improve performance management structure according to the Council's contract management framework. In addition, compliance with governance requirements, health and safety, and delivery of social value commitments are managed centrally by the Council's Facilities Management Service.

Service Provision

- 3.5 Cleaning services were previously commissioned over 3 separate suppliers with security services commissioned over 2 separate suppliers. These suppliers are currently managed and administered separately by corporate estates (general fund) and housing (HRA) functions. The temporary accommodations and development service in housing manages hostels and special sheltered accommodation. The residents of these buildings are single mothers or fathers, elderly, and vulnerable people. The cleaning and security services required by temporary accommodations and development service have been incorporated within the scope of the new contracts following a commissioning review. The delivery model will future proof the Council's requirements as the new contracts are flexible to meet the varying demands with minimal cost of change.
- 3.6 Following the outcome of the commissioning review and stakeholder engagement, the recommended proposed scope of cleaning and security contracts included:
- #### **Cleaning Services:**
- Commercial 'routine' cleaning for 79 corporate estate sites and 3 Housing sites (including the cleaning of communal areas within sheltered and special sheltered accommodation)

- Commercial 'reactive' cleaning for 5 large corporate estate sites during fixing operating hours.
- Commercial 'periodic' cleaning. For example, deep cleans, industrial cleans etc. These are provided at additional cost and not included within the initial award values.
- Void cleaning and clearances
- Specialist commercial cleaning services, for example, guano removal, disinfection, fabric cleans
- Washroom supplies
- Medical waste
- Confidential paper waste
- Window cleaning (including the window cleaning to all communal areas for 775 housing properties throughout the Borough)

Security Services:

- Security Industry Authority (SIA) Licensed Static Guarding/reception duties for 8 corporate and 3 housing buildings
- Key holding and out of hours response service to 70 buildings
- Mobile security patrol service
- Escort Duties
- Helpdesk support service
- 24/7 Emergency Response

3.7 The outcomes from the new Council wide contracts to be achieved are:

- Quality corporate cleaning and security contracts that ensures our buildings are clean, secure, and safe to meet the expectations of residents, service users and ensuring adherence to Government and/or Public Health guidance particularly with regards to pandemic situations e.g., COVID19.
- The Council have specialist cleaning and security arrangements that are both flexible and meets the future needs of the Council and take an integrated approach to the provision arrangements.
- The Council is provided with the most cost effective and efficient means of monitoring and analysing cleaning and security performance data.
- The contracts will make provision for supporting the team to deliver day to day operational business.

The Procurement Process

3.8 The procurement route undertaken was a single-stage Open Procedure (FTS) Find Invitation to Tender ref: 20210331-006854 used to establish one or more lead providers to deliver the contracts for corporate cleaning and security services for a term of 4 years with two twelve month extension periods (1+1). The Council's standard terms and conditions were included in the invitation to tender (ITT).

3.9 A waiver in accordance with regulation 19 Tender and Contracts Recommendations was approved by procurement board ref: CCB1658/20-21 to deviate from the Council's standard 60% quality and 40% price weightings evaluation to 50% quality and 50% was applied in the ITT Pack to reflect the

current priorities of the service and to support its financial position, but at the same time recognises that quality is of equal importance to ensure premises are clean and secure.

- 3.10 The quality method statements addressed the following Tier 1 and 2 Weightings:

Evaluation Section	Criteria	Weight
Corporate Cleaning Services	Qualitative Evaluation	50%
	Overall Strategic delivery and resource allocation	8%
	Operational Service Delivery	10%
	Staff Experience	10%
	Quality Assurance and Compliance	10%
	Social Value	10%
	Premier Supplier Programme (PSP)	2%
	Price	50%
	Building Cleaning	40%
	Housing Window Cleaning	5%
	Additional Cleaning Tasks	5%
Corporate Security Services	Qualitative Evaluation	50%
	Overall Strategic delivery and resource allocation	10%
	Operational Service Delivery	10%
	Staff Experience	10%
	Quality Assurance and Compliance	8%
	Social Value	10%
	Premier Supplier Programme (PSP)	2%
	Price	50%
	Security Matrix	35%
	Key Holding, Out of Hours, Mobile Patrols	10%
Schedule of Rates	5%	

Procurement Evaluations

- 3.11 The Tenders submissions fixed for 12months were opened on 23rd of May 2021. A total of fifteen Tender responses were received from both Lots 1 and 2, noting that most tenderers bid for Lot 2 Corporate Security services.
- 3.12 Potential Bidders were allowed to tender for both Lots 1 and 2, however four ITT submissions were received for cleaning services and eleven for the security services and therefore no submissions received for a single contract for both Lots. The submissions were evaluated against quality method statements and price using the criteria set out in the ITT (as mentioned above) by the procurement team.
- 3.13 The qualitative moderation and evaluation for cleaning and security were completed by an evaluation panel comprising:
- Principal Facilities Manager
 - CSW Manager
 - 2 x Facilities Building Manager
 - Security Manager

- 3.14 A moderated score was agreed for each tender question. The quality assessment was subject to a minimum score set out in the Instructions for tendering, with any bid failing to reach the minimum score of 2 required for each question, would fail the quality evaluation stage of the procurement.

Cleaning Evaluation

- 3.15 The highest ranked bidder A scored 80.78% for corporate cleaning services, as outlined below. Notably, Bidder A received the highest evaluation score for quality and was ranked 1st out of 4 bidders. While achieving the 2nd highest score for price. Bidder A obtained good quality scores with added value on the overall strategic delivery, resource allocation, operational service delivery, quality assurance, and social value, meeting the Council's requirements. The Premier Supplier programme (PSP) was ticked within bidder A quality submission.
- 3.16 The outcome of the evaluation process:

Lot 1: Corporate Cleaning Services Tender Response Scores

	Supplier A (Winner)	Supplier B	Supplier C	Supplier D
TOTAL	80.78%	66.16%	74.90%	77.73%

Security Evaluation

- 3.17 The highest ranked bidder G scored 78.34% for corporate security services is outlined below. Notably, Bidder G received the 2nd highest evaluation score for quality and ranked 2nd out of 11 bidders, while achieving 2nd highest score for price. Bidder G scored the highest score collectively. Bidder G obtained good quality scores with added value and demonstrated the ability to meet the Council's requirements. Premier Supplier programme (PSP) was agreed upon within bidder G quality submission.

- 3.18 The outcome of the evaluation process:

Lot 2: Corporate Security Service Tender Responses Score

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
TOTAL	61.73%	76.11%	65.00%	61.79%	64.73%

	Supplier F	Supplier G (Winner)	Supplier H	Supplier I	Supplier J	Supplier K
TOTAL	69.58%	78.34%	66.89%	59.42%	59.19%	59.20%

- 3.19 Based on the outcome of a robust evaluation process; it is recommended for:-

Bidder A to be awarded the contract for corporate cleaning services (Lot 1), and Bidder G to be awarded for the corporate security services (Lot 2).

Contract Management

- 3.20 The contractor's performance will be reviewed in accordance with the Council's contract management framework, Formal strategic quarterly review meetings on KPI performance will be reported to the Principal Facilities Manager of Corporate FM. The quarterly Tier one scorecards are reported to CMT.
- 3.21 The KPIs and benchmarking are used to allow the Council to:
- Set performance targets at the outset of the Contract
 - Monitor performance over the lifetime of the Contract
 - Benchmark performance to provide a basis for continuous improvement
 - Develop its use of KPIs to ensure they are challenging and fit for purpose.
- 3.22 There are five groups of KPIs for cleaning services:
- Generic KPIs which measure performance across the whole service including Customer satisfaction
 - Reactive KPIs which measure performance against the routine and periodic cleaning service
 - Voids KPIs which measure performance against the Voids service
 - Housing window cleaning, all housing properties to display a sticker which must be updated when the clean takes place
 - Confidential waste and feminine hygiene collections to take place in line with the contract
- 3.23 There are two groups of KPIs for security services:
- Generic KPIs which measure performance across the whole service including Customer satisfaction
 - Reactive KPIs which measure performance against the routine and reactive security service
- 3.24 In order to maintain quality a joint audit with the awarded providers for cleaning and security will take place whereby, performance outputs and continuous improvements are identified as part of the contract corrective action programme.

4. CONSULTATION

- 4.1 Consultation has been carried with the incumbent providers with respective Service Areas such as Gateway services, Head of Temporary Accommodation and Service Development to ensure a coordinated approach is applied to managing the Council's assets and support services in a cohesive and efficient way. This enables the Council to maximise opportunities for efficiencies to be achieved from the Council having a clear co-ordination of the cleaning and security support service-related requirements.
- 4.2 The project team members were established to enable appropriate and relevant

disciplines within the Council to evaluate the tender submissions to determine which tender fulfils Council's requirements and offer the most economically advantageous tender.

5 PRE-DECISION SCRUTINY

5.1 This report did not go to a Scrutiny meeting.

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Revenue and Capital consequences of report recommendations

(Refer to Part B)

6.2 The effect of the decision

The effect of the decision to award contracts to Lot 1 Bidder A for corporate cleaning services and Lot 2 Bidder G for corporate security services will enable the Council to award the related services within the allocated joint budget for the contract term of four years with option to extend for two further twelve months. As per the agreed procurement, including the Council's PSP, London Living wage and inflation adjustments.

6.3 Risks

Risk	RAG Status	Mitigation
Risk of procurement challenge from non-successful bidders	Low	<p>Robust procurement process undertaken supported by procurement team.</p> <p>10-day standstill period in line with Public Contracts Regulation 2015 will be adopted.</p> <p>Detailed unsuccessful tender letter with feedback will be provided to all the bidders.</p>
Risk that available budget reduces over contract lifetime	Low	<p>Funding has been allocated for both contracts from Corporate FM and Temporary Accommodations budget. These are a priority 1 service that need to be maintain throughout the Council Buildings.</p> <p>Should the Council decide to sell-off some of their assets this would reduce the requirement for cleaning and security services in some of the Council's buildings.</p> <p>In addition to the Waking Watch security provision need being terminated at Windsor House, it will create further savings.</p> <p>The service model has been designed to generate efficiencies through economies of scale and enable a shift of resources to over the contract lifetime which should create savings for the Council.</p>

		Robust contract management that includes penalties if performance is not met.
Not all staff may want to transfer over to the new provider	Low	Every effort will be made to ensure smooth mobilisation arrangements are in place to enable transition from the existing contract to the new awarded provider. A 1-month mobilisation period has been allowed within the proposed timetable to ensure the contract is ready for delivery from the agreed start date of 1 st April 2022.
Not all cleaning equipment is available or transferred between the incoming and outgoing contracts	Low	Ensure that all programmed works and services are identified and agreed prior to the start of any contract. Consideration for equipment not being made available as part of the transfer, will be determined and procured via alternative source. Also, to ensure the provider demonstrates capacity to delivery in accordance with the key performance measures as part of the contract management monitoring.
Risk that the project does not deliver with combined services	Low	<p>The specification is outcome focused and the model provides the flexibility to respond swiftly to changing needs and demands.</p> <p>Bidders committed to specific performance levels against key outcomes as part of the tendering process. Delivery against this will be monitored as part of the contract management process.</p> <p>Clear quality standards were stipulated and form part of the contract as well as informing contract monitoring.</p> <p>There are robust contractual mechanisms for varying the terms of the contract, to agree remedial action to address performance issues, and for terminating the contract.</p> <p>Contract extension beyond the initial term, will be dependent on both budget availability and the performance of both providers.</p>

<p>The application process for a security guard to be SIA licensed (Security Industry Authority) is lengthy and has potential risk of such application being refused.</p>	<p>Low</p>	<p>Every effort will be made to ensure smooth mobilisation arrangements from the existing contract to the new awarded provider. A mobilisation period is allowed to mitigate implications, to ensure contract is ready for delivery from the agreed start date.</p> <p>The ITT pack included the requirement for the provider to demonstrate they have the capacity to deliver the Council's requirements and ensure robust business continuity arrangements are in place within the contracts.</p>
<p>The available officer resources to mobilise the new contract with the supplier.</p>	<p>Medium</p>	<p>The same officer resources will be required to mobilise both contracts with the respective suppliers. To smooth the resource demand required for the on-boarding of new contracts/suppliers, the commencement dates have been staggered by 3 weeks.</p>

6.4 Options

Following the outcome of the tender evaluations, Bidder A and G have been demonstrated to be the most economically advantageous tender. Should the Council do nothing and not proceed with this option, this would leave the Council unable to fulfil its obligations as a responsible Employer, and breach Health & Safety at Work Act (HAWA 1974), PCR 2015 and ancillary regulations.

6.5 Future savings/efficiencies

The Council will continue to monitor cleaning and security services provided and will actively work and encourage the new providers to be innovative with new ways of working. Lean business process will be applied to mitigate the need for high volume of invoice transactions. The provision of security related expenditure will be closely monitored ensuring strategic alignment with the respective Service areas commissioning requirements. This has already identified the potential removal of Waking and Watch provision which was originally included within invitation to tender (ITT).

Existing Cleaning and Security contracts have already been reduced to recommended minimum cleaning standards whilst avoiding impacts on health to building users or increased deterioration of building systems (e.g., excessive accumulation of dust in mechanical ventilation systems and ducts where applicable). Only 5 sites have reactive cleaning services which are limited to normal operating hours for treatment of spills/leaks/floods and replenishing consumables. Other sites requiring emergency clearing of leaks/floods will be provided by the in-house Facilities Operations team when.

Future savings of cleaning and security services for buildings identified for disposal as part of the Medium Term Financial Strategy (MTFS) have been captured within overall estate savings, these services can be removed from the contract as part of normal Contract Change Notices (CCNs).

Possible savings that maybe considered in the future would be to reduce frequency of services, such as extending cleaning reduced from daily to once/twice weekly, or weekly to once/twice monthly. It is not currently recommended due to existing complaint levels received from public and staff of building cleansing standards or security provision, where services are being delivered by the relevant provider in accordance with specification.

Approved by: Matthew Davis, Department Head(s) of Finance/nominated deputy(ies)

7. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 7.1 The Council is under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007).
- 7.2 The Cabinet is empowered to make the decision in accordance with the recommendations pursuant to the Tenders and Contracts Regulations, which form part of the Council's Constitution.
- 7.3 Approved by Kiri Bailey, Interim Head of Commercial and Property Law on behalf of the Interim Director of Legal Services

8. HUMAN RESOURCES IMPACT

- 8.1 TUPE will apply to the contracts and the existing incumbent providers have been contacted to collate the necessary information which will form part of the contract documents. The application of TUPE will be determined by the incumbent and any new service provider, for which the Council is the client. On that basis, the role of the Council would usually extend no further than facilitating the process, and the project team will seek advice and support from the Council's HR team.

The timetable for the project includes a 1-month mobilisation period between award and start of the contracts to enable smooth and compliant transition arrangements.

Any HR issues which arise will be managed under the Council's Policies and Procedures.

- 8.2 (Approved by: *Jennifer Sankar, Head of HR for Sustainable Communities, Regeneration and Economic Recovery Directorate and Housing Directorate* on behalf of the Director of Human Resources)

9. EQUALITIES IMPACT

- 9.1 An equality impact assessment has been undertaken and the proposed change relevant to equality is unlikely to impact on groups that share one or more protected characteristics.
- 9.2 The contract terms and conditions include the obligation for the successful provider to comply with the Equality Act 2010. This will also include the commitment to support the Council with delivering its public sector equality duties as well as reporting on any equalities requirements as stipulated in the contract.
- 9.3 The supplier currently collates data in relation to equality characteristics. It is recommended that the supplier adopt the Council standard for data collection which incorporates the provisions of Equality Act 2010, to ensure that the impact of equality on future proposals can be identified.
- 9.4 The change ensures that the employees who work on the contract will now receive the London Living Wage, thus supporting our Council priority of to tackle ingrained inequality and poverty in the borough.

10. ENVIRONMENTAL IMPACT

- 10.1 The appointed providers have demonstrated their approach to applying environmental considerations. There will be an obligation to support the Council's commitment to make the borough more sustainable and Carbon neutral by 2030.

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1 The security service contract will protect vulnerable residents and staff occupying the Council buildings. There are no crime and disorder reduction impacts from the award of the corporate cleaning and security contract.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 The reason for the recommendation to award the corporate cleaning and security contract to a single provider for each Lot 1 and 2.

13. OPTIONS CONSIDERED AND REJECTED

- 13.1 In addition to the options detailed Part A sections 6.4 and 6.5, further options considered and rejected were: -

- Removal of the London Living Wage (LLW) applied index of the contracts

When first reviewed in Q1 2021/22 there was a potential to reduce cost of the contracts by changing to National Living Wage (NLW) or no labour index which defaults to the National Minimum Wage (NMW). This was further reviewed in Q2 and Q3 which noted demand generated from industries re-opening after COVID lockdowns had impacted business with low remuneration packages as staff retention became challenging. Retention has also made operability challenging for businesses that have been affected. Croydon's existing providers have maintained high levels of staff retention which has delivered a reliable service to residents of Croydon. Noting the market challenges which risk deliverability and that LLW was included within the ITT, this would not be changed at contract commencement. This may be reviewed during the life of the new contract.

- Further reduction of cleaning or security services

Reductions to both cleaning and security were already included within the ITT to reflect the in-contract reductions applied to existing contracts and budgets. These are included within the contract awards proposed within this report. Whilst COVID has a fundamental impact on the demands of cleaning and security services, further reductions were not advisable. The flexibility of the contracts proposed to be awarded in this report allow reduction of services to be considered.

14. DATA PROTECTION IMPLICATIONS

14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF ‘PERSONAL DATA’?

Yes, in accordance with Transfer of Undertakings (Protection of Employment) (TUPE). The personal data is only held by the relevant existing service provider and employee liability information (ELI) will only be processed directly between existing service provider and new service provider. The proposed contract award for security services will make provision for processing personal data as part of the delivery in accordance with SIA (Security Industry Authority), General Data Protection Regulations (GDPR) and the Data Protection Act (DPA 2018). The proposed contract award for cleaning services has not identified processing of personal data.

In accordance with the ITT, all Cleaning and Security tenders received have confirmed that human and technical resources to perform the contract to ensure compliance with the General Data Protection Regulation and to ensure the protection of the rights of data subjects.

14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

Yes.

The Interim Director of Commercial Investment and Capital comments that there are no additional data protection implications arising directly from the report.

Approved by: Peter Mitchell

CONTACT OFFICER:

Name:	Dean Myles
Post title:	Principal Facilities Manager
Telephone number:	020 8726 6000

BACKGROUND PAPERS

Appendix A – Corporate Cleaning and Security Procurement Strategy
(<https://democracy.croydon.gov.uk/documents/s27816/Corporate%20Cleaning%20Security.pdf>)

Appendix B – Equalities Impact Assessment for Corporate Cleaning and Security Contracts (included with report)

For executive decision making it is a requirement that all Part A (open) reports & Part B reports (closed) must list and provide an electronic and a printed copy of all background reference.