



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for City Management and Air Quality
Date:	25 May 2023
Classification:	Public Part A Private - (Confidential Appendix Part B) It contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972 and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
Title:	Contract award for the cleansing and maintenance of public conveniences.
Wards Affected:	All
Fairer Westminster/Policy Context:	Fairer Economy and Fairer Environment
Key Decision:	Key Decision - an entry <u>has</u> been included for 28 days on the list of forthcoming decisions
Financial Summary:	Please see in Part B Report

Report of:

Amy Jones (Director of Environment) on behalf of the Executive Director for Environment & City Management

1. EXECUTIVE SUMMARY

- 1.1 The current contract for cleansing and maintenance of **public conveniences** with Carlisle Cleansing Services Limited is due to expire on 31 May 2023.
- 1.2 The service is currently reviewing the contractual arrangements for cleansing, compliance, and maintenance in the context of a programme to modernise the infrastructure, as well as the associated level and frequency of maintenance that would be required. The currently undefined future estate presents a challenge to specify the provisions that are required in the short-term.
- 1.3 This report therefore recommends proceeding with a direct award to Carlisle Cleansing Services Limited of up to 12 months (with the potential to extend for a further 6 months) from 1st June 2023, for cleansing and maintenance.
- 1.4 The recommendations in this report align with recent officer recommendations relating to the contract for handling and maintenance of Westminster's **automatic public conveniences and urinals**. Contracts will therefore be coterminous allowing for a potential future joint procurement exercise.
- 1.5 The decision for a direct award was endorsed at CGRB on 24th May. This requires approval of a waiver of the procurement code by the Director of Commercial Partnerships and the Executive Director for Environment and City Management. The Procurement Waiver has been submitted following the usual protocols.

2. RECOMMENDATION

- 2.1 That this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A Part 1, paragraph 3 (as amended), in that it contains confidential information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 2.2 That the Cabinet Member for City Management and Air Quality approve a direct award to Carlisle Cleansing Services Limited of up to 12 months (with the potential to extend for a further 6 months) from 1st June 2023, for cleansing and maintenance of Westminster public conveniences for a contract amount as mentioned in Part B report.
- 2.3 That the Cabinet Member for City Management and Air Quality approves a waiver from the Procurement Code requirement of competitive tendering prior to award for making this direct award to Carlisle Cleansing Services Limited.

3. REASONS FOR DECISION

- 3.1 The current contract for cleansing and maintenance of public conveniences with Carlisle Cleansing Services Limited is due to expire 31 May 2023. A direct award will allow the continuity of services as well as a coterminous end date with the other contract relating to cleansing, compliance, and maintenance of the automatic public conveniences and urinals, thereby allowing time for a full review of service requirements and a re-procurement exercise.

4 BACKGROUND AND POLICY CONTEXT

- 4.1 A review of Public Conveniences (PCs) undertaken on 30th November 2020 presented a set of recommendations for each facility to remain either:

Operational – these facilities would seek to achieve a *cost neutral* operation. If it could not be achieved, but the need for the PC was validated, the cost could be economically justified against the benefit derived.

Closed - where an existing facility was confirmed as redundant, the facility could be closed. Closed sites would be subject to one of four outcome options:

- a) Disposed of
- b) Re-purposed
- c) Returned to landlord
- d) Demolished/infilled

- 4.2 It was hoped that the related modernisation programme associated with the “Operational” facilities would have been further along allowing the service to reprocure instead of this latest direct award, however, we require a short-term continuation whilst we finalise designs and the programme of works.

- 4.3 The proposal therefore is to proceed with a direct award to Carlisle of up to 12 months (with the potential to extend for a further 6 months) from 1st June 2023, for cleansing, maintenance, and compliance based on:

- a) The **addition of maintenance and compliance** to the contract.
- b) An **audit** of the **condition and compliance** of facilities and **completion of any associated remedial works**.
- c) **Strengthened T+C**s including compliance, auditing, monitoring, data sharing and **contract management**).
- d) The need to allow sign off for designs on the PCs refurbishment project to enable us to understand the long-term contract requirements.
- e) Allowing additional **time to review the handling of our Public Convenience services** and revisit previous refurbishment decisions as part of an overall assessment of the service. This will consider new specifications to enable future contractual flexibility.

- f) **Aligning the award to cover the review period** and enable us to prepare for a full re-procurement, as well as build in flexibility to change or exit the contract if required.

4.4 To date, Carlisle has only been responsible for cleansing public conveniences, and has not had responsibility for repairs and compliance directly within their contract. This contract will bring cleansing, compliance, and repairs, together; enabling greater efficiency around any required repairs to ensure quality and condition, alongside clear contractual expectations on Carlisle to monitor this and deliver safe and clean public conveniences.

Strategic Service Review

4.5 The full stock of WCC Public Conveniences is comprised of:

- 14 built **Public Conveniences** that are WCC assets (not inclusive of 5 Park facilities) currently **managed under the Carlisle contract**
- Plus 13 **Automatic Public Conveniences (APCs) & Urinals**, and 30 **Temporary Public Conveniences** managed through other contractual arrangements.

(see [Appendix 1](#) for a full list of facilities)

4.6 Recognising Westminster as a home for residents as well as a destination for workers and visitors, the previous strategy may not have a significant enough impact to improve the facilities which are dated, and in many cases will benefit from being replaced. A service that provides a suite of facilities responsive to need, that are both comfortable and safe for use and designed to deter ASB, would have an overall more positive impact on the city.

4.7 The proposed project associated with this decision will seek to support the council's Fairer Westminster Delivery Plan, specifically:

a) Fairer Economy

- I. Improve our high streets.
- II. Make Oxford Street a more desirable shopping destination.
- III. Enhance the experience of shopping in the West End and Oxford Street.
- IV. Work with our supply chains, landowners, and developers to ensure they do more to benefit local communities.

b) Fairer Environment

- I. Reduce carbon emissions and support the sustainability of the city.
- II. Keep our streets clean.

4.8 The proposal will be comprised of two key inter-linked workstreams:

1. **A Modernisation Programme** – The scoping, review, and agreement for a programme of works relating to the closure, refurbishment, or replacement of all current sites (for which £6.5m capital has been approved). This will be undertaken in partnership with other programmes across the council, for e.g. Corporate Property, Parks, and Maida Hill Market.
2. **A Procurement for new Contracts** – The setting out and agreement for the approach and timescales relating to the medium-longer term cleansing and maintenance contracts. The facilities we provide, including the overall number and specification, have a direct bearing upon the contractual arrangements for cleansing and maintenance. We want to ensure that as a council we can guarantee the facilities we run, can be maintained to the highest condition and safety standards and that we are not locking-in arrangements through the way that we set the specifications and approach a modernisation programme.

4.9 These workstreams will be underpinned by a fundamental review and update of the 2020 strategy, which will set out a vision for public conveniences for the next ten years.

4.10 The necessary schedules and scope for Westminster’s public conveniences will be reviewed and specified based on a clear set of principles including:

Operational Asset principles:

- Safe
- Smart and functional
- Future-proof
- Well signed
- Accessible
- Easily maintained and cleaned (non-specialist as far as possible)

Closed Asset principles:

- Disposed of
 1. Provide a financial return
 2. Result in local amenity improvement
 3. Contribute to social value
- Re-purposed:
 1. Result in local amenity improvement
 2. Contribute to social value
- Returned to landlord and result in zero net cost to the Council
- Demolished, infilled, and returned to a suitable and acceptable condition.

4.11 Survey and analysis of each site will be undertaken to support the future proposal for each site and will include an assessment of:

- a. Existing plans and details – location, visibility, other demand factors.

- b. Available operational data – usage, waste volume.
- c. The financial implications – available costs information (operational, replacement, refurbishment, repairs, maintenance, etc.) and income.
- d. Whether contract arrangements align with service objectives and the strategy

We will come back to the Cabinet Member with a recommendation on the outcome of the Survey and analysis, together with the updated strategy.

- 4.12 An Equalities Impact Assessment has been undertaken and is set out in Appendix 2 to this report.
- 4.13 A Briefing Note dated 4th April 2023 which recommended a direct award to Danfo (UK) Ltd. of up to 12 months (with the potential to extend for a further 6 months) from 1st June 2023, for ongoing cleansing and maintenance of Westminster's Automatic Public Conveniences and Urinals, is aligned with the decision in this report.

5 PROCUREMENT IMPLICATIONS

- 5.1 The procurement team have reviewed the market and considered several options for the award of a contract for the cleansing and maintenance service from 1st June 2023:
 - Option 1: Issue an open tender procedure which allows any interested provider to bid for this opportunity based on meeting the minimum requirements as per WCC standard tendering terms. The opportunity would be advertised on Find a Tender Service and Contracts Finder. This option allows any supplier to submit a tender. This option requires sufficient time to prepare the tender documentation, evaluate and award. Based on the unknowns in service delivery and time remaining on the existing contract, this is not a plausible option. Not recommended.
 - Option 2: Use of a public Framework. This option was explored in 2022 and at that time, the cost of using a publicly available framework had additional costs of c50% and was unlikely to provide the council with value for money. Additionally, based on the current timetable, this option is no longer viable. Not recommended.
 - Option 3: Identify a compliant route to direct award a contract to the incumbent via a framework agreement. Following an analysis of live framework agreements available, no suitable frameworks were identified. As a result, this option is disregarded. Not recommended.

- Option 4: Amalgamate requirements into an existing FM contract which already delivers cleaning services. Not deemed possible as the buildings were not in the original scope and the assets require specific expertise meaning a general cleaning company could not fulfil the requirements of the contract. Not recommended.
- Option 5: Directly award a short-term contract to incumbent Carlisle, whilst we seek to better understand our long-term service requirements and consider the required programme of works for compliance and refurbishment. This approach is non-compliant with Procurement Contract Regulations 2015 and the council's standard procurement operating procedures. This approach increases the risk of challenge from other suppliers, but to mitigate this, the Council is to offer a contract length as short as is necessary to allow for an extended review of the estate and deliver a suitable procurement for the Council's long-term requirement. **This is the recommended option.**

5.2 The service proposes a direct award **to Carlisle** based on **Option 5** for a period of 12 months with the potential to extend for a further 6 months if required. This limited period recognises the need to ensure continuity of service working within a limited market, whilst allowing time for a full review of service requirements and a re-procurement exercise.

6 FINANCIAL IMPLICATIONS – PLEASE SEE IN PART B REPORT

7 LEGAL IMPLICATIONS- PLEASE SEE IN PART B REPORT

8. CONCLUSIONS AND REASONS FOR THE PROPOSED DECISION

The service has reviewed options for the ongoing maintenance and cleansing of the Westminster owned public conveniences in light of service expectations on quality and safety as well as the implications of the other contract for similar services relating to APCs and urinals.

Coupled with a requirement to update the 2020 strategy, and implement a programme to modernise the infrastructure, there is a direct implication on the associated level and frequency of cleansing and maintenance that would be necessary.

This currently undefined future estate presents a challenge to specify the provisions that are required in the short and medium terms. As such, it is proposed that a direct award with Carlisle Cleansing Services Limited for a limited period of 12 months, with the ability to extend by a further 6 months recognises the need to ensure continuity of service working within a limited market, whilst allowing time for a full review of service requirements and a re-procurement exercise.

APPENDICES

Appendix 1 - Full list of facilities

Appendix 2 – Equalities Impact Assessment (Separate document)

For completion by the **Cabinet Member for City Management and Air Quality**

Declaration of Interest

I have <no interest to declare / ~~to declare an interest~~> in respect of this report

Signed: _____ Date: _____
NAME: **Cllr Paul Dimoldenberg, Cabinet Member for City Management & Air Quality**

State nature of interest if any

.....
(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation in the report entitled **Direct award of Carlisle contract for ongoing cleansing and maintenance of public conveniences** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Paul Dimoldenberg, Cabinet Member for City Management and Air Quality

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are staffing implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.