



City of Westminster

# Cabinet Member Report

<b>Decision Maker:</b>	Cabinet Member for City Management and Air Quality
<b>Date:</b>	12th December 2024
<b>Classification:</b>	General Release
<b>Title:</b>	Award of a new services contract for the cleansing, compliance, and maintenance of public conveniences
<b>Wards Affected:</b>	All
<b>Policy Context:</b>	Fairer Economy and Fairer Environment
<b>Key Decision:</b>	Yes. An entry is included on the list of forthcoming decisions.
<b>Financial Summary:</b>	The financial implications for the award of a new public convenience contract are a revenue cost of £7,280,586 for the 5-year period 1/01/2025 to 31/12/2029.
<b>Report of:</b>	Frances Martin

## **1. Executive Summary**

- 1.1 The current contract for services relating to the cleansing and maintenance of Public Conveniences with Carlisle Cleansing Services Limited is due to expire on 30 November 2024, but an extension to the end of December is in place.
- 1.2 The waste service has completed an Open Procedure tender exercise and evaluation process for a single contractor to undertake the cleansing, compliance, and maintenance of the suite of Public Conveniences across the City.
- 1.3 Four bids were received; Goshen Multiservices, Danfo UK Ltd, Carlisle Cleaning Services Limited and Just Ask Estate Services. Carlisle Cleaning Services Limited scored highest on quality, with Goshen Multiservices being most competitive on price. However, Carlisle Cleaning Services Limited attained the highest overall moderated score.
- 1.4 Overall, the bid from Carlisle was good, with a score of “good” in seven of the nine questions, including social value and sustainability.
- 1.5 This report recommends proceeding with a Services contract to Carlisle Cleaning Services Limited. The Services required includes cleansing, compliance, maintenance, and management of the Public Convenience facilities, and are expected to occur for the full five-year period. There is also a provision for a five-year extension of this contract.
- 1.6 The recommendations in this report align with the Strategy for Public Conveniences agreed in the summer of 2023.
- 1.7 The decision to recommend to the Cabinet Member for City Management and Air Quality to approve the contract award was endorsed at CGRB on 20 November 2024.
- 1.8 The total sum of £7,280,586 (excluding VAT) is for the five-year period 1/01/2025 to 31/12/2029. The option to extend the contract for the additional period of five years costs £9,743,067. The full contract term is ten (10) years at a total contract value of £17,023,653.

## **2. Recommendation**

- 2.1 That the Cabinet Member for City Management and Air Quality approve the contract award to Carlisle Cleaning Services Limited for a period of five years (with the potential to extend for a further five years) from 1 January 2025, for Services relating to Westminster’s Public Conveniences for a contract amount of £7,280,586 for the five-year period (total contract cost of £17,023,653 for 10 years).

- 2.2 Note that an extension variation is in place to allow service continuity when the existing contract expires 30 November 2024, for the contract award process to be completed and will cover the period 1 December 2024 to 31 December 2024.

### **3. Reasons for Decision**

- 3.1 The award of a new Services contract will allow the long-term continuity of services.
- 3.2 The current contract for cleansing and maintenance of Westminster's Public Conveniences with the extension variation will end 31 December 2024.
- 3.3 The existing suite of conveniences are undergoing a programme of refurbishment to modernise the facilities, improve accessibility, and promote hygiene. The overall quality of the winning bid aligns with the service strategy and will also improve the user experience.

### **4. Background, including Policy Context**

- 4.1 The provision of public conveniences is discretionary, and the strategy agreed by the Cabinet member for City Management and Air Quality in the summer of 2023, supports the ongoing provision of this service.
- 4.2 Key to the delivery of Westminster's public conveniences' strategy is the ability to replace the existing Public Conveniences cleansing and maintenance contract.
- 4.3 The recent procurement activity will improve the user experience, offer a more inclusive service, provide a safe environment for our customers and workers, and contribute to facilities which are easier to maintain and keep compliant.
- 4.4 The scope of services and the contract term have been prepared to support improved partnership working and contract management arrangements. It also builds on improvements delivered to the public conveniences service to date.
- 4.5 The procurement of new contracts by the cleansing service is one of two key workstreams that are helping to deliver the service strategy. The other workstream is the ongoing modernisation programme to refurbish the 8 West End built toilet facilities, where cashless payments have already been introduced.

### **5. Financial Implications**

- 5.1 The Services contract which includes compliance, maintenance, and ongoing cleansing of the facilities will be paid for from the revenue budget. The contract

will be based on an initial five (5) years with the option to extend by up to a further five (5) years.

- 5.2 We currently have a contract for cleaning, compliance, and maintenance of Public Conveniences with an annual revenue cost of £994,800k.
- 5.3 The Carlisle bid proposes an annual cost of £1,291,550. This would lead to a shortfall of £296,750. This shortfall will be met from budget earmarked for activities that will be included in this contract, such as security £30k and an element of planned preventative maintenance £70k. There is also £127k remaining of budget set aside from a previous MTFP growth bid towards an enhanced public services provision post renovation. The remainder will be funded by income which is expected to increase post renovation due to the sites being more attractive with better signage which will increase footfall, which will generate additional income.
- 5.4 After feedback from the bidders and reviewing the existing contract, it was decided that the London Living Wage would be the most suitable index for calculating annual inflationary increases to the contract. Most of the costs within the contract are salary costs for cleaners, who are paid the LLW. Therefore over 80% of the costs the contractor incurs will be increased each year by the LLW. If another index were used, bidders would require assurance that LLW increases above this would be funded by the council, or, to minimise risk, they may have inflated their costs to absorb potential future losses due to contract indexation below the LLW increase.
- 5.5 There are no proposed savings to this contract. Instead, there is an expectation that the newly refurbished conveniences, and the ongoing cleaning and maintenance of them will result in an enhanced experience for WCC residents and visitors.
- 5.6 Value for money was achieved through the open procedure procurement based on the most economically advantageous tender. The council received multiple bids from potential suppliers, and this competition can mean lower prices as suppliers compete to be awarded the contract. Inviting all key market providers has maximised the likelihood of competitive pricing, and as a result we received a range of prices from potential new suppliers.

## **6. Legal Implications**

- 6.1 The Council is obliged to maintain the public conveniences in the borough in a safe and hygienic manner for the safety of the residents and visitors to the borough and the proposed contract award for maintenance and management of such public conveniences to high standards of safety and hygiene would be in fulfilment of such Council's obligations.
- 6.2 The Open Procedure procurement conducted to recommend award of contract for the delivery of public conveniences related services to Carlisle Cleaning Services Limited (Company No: 02388687), as brought out in this report, would

be in compliance with the Council's obligations under the Public Contracts Regulations 2015 and its Procurement Code.

- 6.3 This contract can be awarded by the appropriate Cabinet Member following endorsement to approve by the appropriate Executive Leadership Team member and CGRB.
- 6.4 A 10-day standstill period is required to be observed prior to the contract award decision.
- 6.5 A contract award notice would be required to be published in reasonable time. The awarded contract would need to be sealed.

## **7. Carbon Impact**

- 7.1 A carbon impact is not currently possible. However, the bid offering set out several sustainability proposals which could contribute to the Council's commitment to becoming a carbon neutral council by 2030 and a carbon neutral City by 2040.
- 7.2 The physical offering includes a fully electric fleet within the first 6 months of the contract.
- 7.3 In terms of the servicing of the contract, reducing waste and promoting sustainability, operatives will provide tablets to personnel on the contract thereby creating digital records and removing paper wastage from the contract.

## **8. Equalities Implications**

- 8.1 A live document exists addressing the equalities implications relating to the overall strategy and is being regularly updated to consider any impact and mitigation of the various decisions and projects.

## **9. Consultation**

- 9.1 No formal Ward Member or Public consultation has taken place in relation to the procurement exercise.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**

Mark Banks [mbanks@westminster.gov.uk](mailto:mbanks@westminster.gov.uk)

## **APPENDICES**

- None

**BACKGROUND PAPERS**

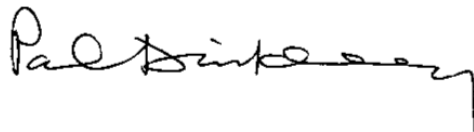
- Gate 2 – Procurement Strategy Report (Public Conveniences)
- Gate 3 – Contract Award Report (Public Conveniences)

*NB: For individual Cabinet Member reports only*

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

**Declaration of Interest**

I have no interest to declare in respect of this report.



Signed:

Date: 12 December 2024

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NAME: **Paul Dimoldenberg**

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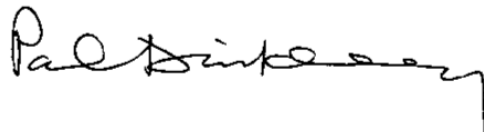
State nature of interest if any: N/A

*(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(s) in the report entitled.

Award of a new contract for the supply, installation, cleaning, and maintenance of automatic public conveniences and reject any alternative options which are referred to but not recommended.

Signed:




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Cabinet Member for City Management and Air Quality

Date:

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12 December 2024

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 resources 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.