



### Contract for the provision of Cleaning Services

**Committee** Operations

**Date of meeting** 25 January 2019

**Date of report** 17 January 2019

### Report by Assistant Chief Executive

#### 1. Object of report

To recommend to the Committee the approval of the award of contract for cleaning services to Churchill Contract Services Ltd.

#### 2. Background

SPT provides a range of public transport services directly to the travelling public through its network of Bus Stations, Subway Stations and other related activities. SPT also operates from an office building and engineering depot.

The cleanliness of SPTs facilities, and more importantly its customer facing operations, is a key component of SPTs customer service strategy. It is vital that SPT receives a standard of service that promotes a positive image and a clean, pleasant journey for passengers, visitors and working environment for staff.

This contract has several key objectives with the main priorities being for the successful contractor to provide a cost efficient, quality driven service, which achieves optimum cleanliness standards for SPT. This should include minimising disruption to operations through effective forward planning and maintaining a safe and pleasant environment, utilising safe working practices at all times. The contractor will also be required to provide continuous improvement and innovation, whilst maintaining flexibility throughout.

The requirement for an effective cleaning service provision is of high importance in maintaining all facilities but particularly in the refurbished customer facing facilities at both Bus and Subway locations. This was reflected in the positive results achieved by Subway in the recent Transport Focus survey where 91% of Subway users were fairly/very satisfied with exterior cleanliness at stations which in turn contributed to the 97% overall customer satisfaction rating.

For the purpose of this contract, SPT have identified five distinct areas, with the intention of obtaining a single contractor to provide the service across all areas:

- Area 1: Subway Stations and Depot offices
- Area 2: St. Vincent Street offices
- Area 3: Bus Stations and offices
- Area 4: Glass (High level areas)
- Area 5: Subway Car cleaning

A longer term contract is being sought to provide an opportunity to build a long term partnership with the successful cleaning contractor.

The current cleaning services provider is Churchill Contract Services Ltd.

### **3. Outline of proposals**

The total estimated contract spend placed this contract within the OJEU (Official Journal of the European Union) bracket. A ten year contract is proposed, with suitable break clauses at years 3, 5 and 7.

The tender process consisted of two stages, with the first stage being the pre-qualifying stage where SPT applied the D&B (Dun & Bradstreet) risk indicator. In addition to this, companies were required to provide answers to various technical questions linked to capacity and referenced contracts.

Twenty four companies expressed an interest in the cleaning contract by registering on PCS-T (Public Contracts Scotland Tender) web portal. Nine companies submitted a completed ESPD (European Single Procurement Document). Whilst the OJEU advert indicated that SPT would only allow eight companies through to the second stage, due to there being a tie (for the eighth place), all nine companies were invited to tender.

The tender specification was created in such a manner that it made tenderers aware of the changes that would be made to the infrastructure with the introduction of new rolling stock, passenger screen doors, station refurbishments and new control centre building. Prices were to be fixed for the first three years of the contract.

A tender evaluation model was developed as a weighting of 70%/30% technical/commercial; with a Health & Safety questionnaire also having a pass/fail criteria applied. The technical evaluation reflected: Capacity (available resources, resource allocation, reactive requirements and turnover); Methodology; Contract Management (management reporting, exit strategy, issues and risks); and Community Benefits.

Following site visits to Bus Stations, Subway Stations and 131 St. Vincent Street, three tender proposals were received (all compliant) from ABM UK, Churchill Contract Services Ltd and Mitie Environmental & Cleaning Services Ltd.

All tenderers were required to perform trial cleans at areas identified within Bus, Subway and Head Office locations, with these scores contributing towards the overall technical evaluation scores.

The evaluation panel was formed containing representatives from Bus Operations, Subway Operations and Customer Standards.

The technical, commercial and overall combined scores are detailed in the table below and the overall combined score illustrates the most advantageous tenderer as being Churchill Contract Services Ltd:

Evaluation Scores				
Supplier	Technical Score %	Commercial Score		Combined Technical & Commercial Score %
		Tender value (10 Years)	%	
ABM UK	52	£39,976,088	11	63
Churchill Contract Services Ltd	70	£15,565,722	29	99
Mitie Environmental & Cleaning Services Ltd	66	£15,144,763	30	96

Clarifications were sought on both technical and commercial submissions from all three tenderers. Churchill confirmed that a 3% indexation was applied to their commercial submission from year 4 onwards of the contract. Mitie confirmed that they applied a zero indexation in their commercial submission, advising that years 4 to 10 of the contract would be subject to discussion with SPT. Both ABM and Mitie confirmed that their TUPE costs contained in their commercial submissions would be subject to final TUPE information obtained.

The prices for the contract during years 1 to 3 will be fixed; at an award cost of £4,164,481 and is within SPTs budget provision. With effect from the third anniversary of the commencement of the contract and at each anniversary thereafter, the prices may be varied to reflect changes in the costs of labour, materials and consumables and will be capped at the percentage increase in Consumer Price Index (CPI) in the preceding year of the contract.

#### 4. Conclusions

The Most Economically Advantageous Tender is that submitted by Churchill Contract Services Ltd. The term of the contract will be a maximum of 10 years, subject to satisfactory performance.

Due to the duration of this contract, break clauses will be applied based on performance, at suitable intervals throughout the life of the contract.

#### 5. Committee action

It is recommended that the Committee approve the award of the cleaning services contract to Churchill Contract Services Ltd, at an estimated cost of £15,565,722 (subject to inflation uplift); for a maximum period of ten years, with break clauses at years 3, 5 and 7.

#### 6. Consequences

Policy consequences	<i>None directly</i>
Legal consequences	<i>The contract will be awarded subject to the terms of the Invitation to tender, the tender received and clarified together with the agreed terms and conditions of contract for cleaning services.</i>
Financial consequences	<i>The annual costs of this contract can be contained within the proposed budget for 2019/20 and</i>

	<i>onwards.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>None directly.</i>
Risk consequences	<i>Operational risks will be managed through existing contract management processes.</i>

**Valerie Davidson**  
**Assistant Chief Executive**

**Gordon MacLennan**  
**Chief Executive**

For further information, please contact *Michael Ferrie* on 0141 333 3276.