

NORTH LANARKSHIRE COUNCIL

REPORT

To: COPORATE SERVICES COMMITTEE	Subject: PROCURING CHANGE WASHROOM SOLUTIONS	
From: HEAD OF CORPORATE PROPERTY & PROCUREMENT		
Date: 12 MARCH 2015	Ref: GP/LJ	

1. Purpose

- 1.1 The purpose of this report is to seek Committee approval to endorse the use of a Scotland Excel Framework for Washroom Solutions and to approve the outcome of a Call-off Contract from this framework by Direct Award.

2. Background

- 2.1 The Council has a requirement across all services for washroom solutions, the requirement is in two parts;
- Core Products – annual estimated spend £137,000 - products such as sanitary waste disposal units; nappy waste disposal; sanitizers, air fresheners; hygiene products for vending machines; incontinence waste disposal; sharps disposal; swabs & dressing disposal; floor care services ;and
 - Non Core products – annual estimated spend £36,000 – products such as hand dryers; branded floor mats etc these products are often subject to lease terms.
- 2.2 The Council has historically purchased the above goods/services from the Scotland Excel framework, the framework has now expired.

3. Proposal

- 3.1 Following completion of a competitive procurement exercise, Scotland Excel has established a new collaborative Framework Agreement for Washroom Solutions. The framework covers the period 1 October 2014 - 30 September 2017 with the option to extend until 30 September 2018. The framework has five suppliers, four of which service the North Lanarkshire area. These are
- Cannon Hygiene t/a OCS Group UK Ltd
 - Healthcare Environmental Services Ltd
 - Rentokil Initial Ltd t/a Initial Washroom Hygiene
 - Personnel Hygiene Services t/a PHS Washrooms
- 3.2 It is proposed, in accordance with the terms of the Scotland Excel Framework, that following analysis of the Councils washroom solutions spend for Core Products the Council makes a Direct Award.
- 3.3 A full analysis of the Councils washroom solutions spend has been undertaken, the spend analysis looked at the items ordered by the Council over a one year period and compared prices offered by the four suppliers identified in para 3.1. Environmental Services as the major user of these services was involved in the analysis and decision making. The table below details the outcome of the spend analysis.

Suppliers	Price	Ranking
Healthcare Environmental Services Ltd	£76,815.60	1
Personnel Hygiene Services t/a PHS Washrooms	£114,364.22	2
Rentokil Initial Ltd t/a Initial Washroom Hygiene	£128,663.57	3
Cannon Hygiene t/a OCS Group UK Ltd	£132,898.50	4

3.4 Based on the above analysis, it is recommended that a Call-Off contract by Direct Award is made to Healthcare Environmental Services Ltd. The mobilisation of the new arrangements will be on a phased basis.

3.5 The majority of the Non Core spend is subject to longer term lease arrangements. Through analysis of spend and consideration of the cost of early termination of the current individual lease arrangements, it is more beneficial for the Council to continue with the current supplier until the expiry of these lease arrangements, at which point these services may also transfer to Healthcare Environmental Services Ltd. In certain circumstances, for example where the replacement of a fixed physical asset would involve disproportionate decommissioning/reinstallation costs (i.e. electronic hand dryer) or where a client has a specific requirement, then business may not necessarily transfer to Healthcare Environmental Services Ltd.

4. Financial Implications

4.1 It is proposed that the Call-off Contract is awarded beginning 01 May 2015 until 30 September 2017 with the option to extend by a further period until 30 September 2018. The total estimated value of these arrangements is around £385,000 over the whole contract period including the extension.

4.2 These arrangements will provide annual savings of up to £60,500 (44%) for Core Products, depending on product/service being supplied. These savings will contribute towards the procurement themed efficiencies within the Services and People First initiative.

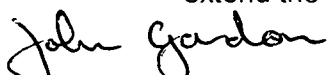
5. Corporate Considerations

5.1 It should also be noted that Healthcare Environmental Services Ltd is a local company based in Shotts and this contract will support local youth employment by way of work experience and apprenticeships.

6. Recommendation

6.1 It is recommended that committee:

- (i) approve the use of the Scotland Excel Framework Agreement for Washroom Solutions.
- (ii) approve the award of a Call-off Contract for Core Products by Direct Award and the award of Non Core Products on expiry of current lease arrangements to the Healthcare Environmental Services Ltd.
- (iii) approve the contract period as 01 May 2015 to 30 September 2017 with an option to extend the contract until 30 September 2018.



Head of Corporate Property & Procurement

Members seeking further information on the contents of this report are asked to contact Graham Proudfoot on Tel, 01698 403957.