

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead – Resources****Tendering Committee: 26 June 2019**

Subject: Contract Authorisation Report – Provision and Delivery of Washroom Solutions and Sanitary Products**1. Purpose**

- 1.1** The purpose of this report is to seek the approval of the Tendering Committee to authorise the Strategic Lead - Regulatory to conclude the award of the contract for the Provision and Delivery of Washroom Solutions (Lot 1) and Sanitary Products (Lot 2).

2. Recommendations

- 2.1** It is recommended that the Tendering Committee:

- a) Authorise the Strategic Lead Regulatory to conclude the direct award under the Scotland Excel Framework Agreement for the provision and delivery of Washroom Solutions and Sanitary Products namely:

Lot 1 – Washroom Solutions to Rentokil-Initial for the following:

- sanitary waste disposal
- nappy waste disposal
- sanitisers, air fresheners
- sharp disposal and medical waste disposal; and

Lot 2 – Sanitary Products

- the supply of sanitary products to Hey Girls (Community Interest Company).

- b) Note that the contracts shall be for a period of 3 years with an option to extend for a further 12 months. The estimated values are:
Lot 1 - £144,237 ex VAT for 3 years and £192,316 ex VAT for 4 years; and
Lot 2 - £293,859 ex VAT for 3 years and £391,812 ex VAT for 4 years.

3. Background

- 3.1** Historically, the Council has used Scotland Excel (SXL) Framework Agreements (FA) to source washroom solutions services. These include the uplift of sanitary waste and offensive waste at multiple sites across the Council as well as air fresheners and barrier mats in a few areas. At present, these are provided through an interim contract with Rentokil Initial from 31 December 2018 for up to a value of £49,999 as the previous supplier (Healthcare

Environmental Services – HES) ceased trading on the 27 December 2018 and arrangements had to be put in place urgently to ensure continuity of service.

- 3.2** This contract enables the Council to comply with the requirements of *The Workplace (Health, Safety and Welfare) Regulations 1992*, *The Water Industries Act 1991* and *The Environmental Protection Act 1990*.
- 3.3** The Scottish Government has committed to providing access to free sanitary products to students in schools, colleges and universities to support equality, dignity and human rights for those who menstruate and to ensure that lack of access to products does not impact on an individual's ability to fully participate in education at all levels. In addition, the Scottish Government made a new commitment in 2018 to increase the number and range of places where sanitary products are available for those who need them and announced the provision of funding to local authorities. Funding for the provision of these products within community buildings has been advised, however the exact value of funding for the provision in schools has not yet been advised (a report on proposed distribution methodology was considered at COSLA Leaders meeting on 31 May 2019). Sanitary products will be provided in all primary and secondary schools and in 17 public sites for community access.

4. Main Issues

- 4.1** This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the Public Contracts (Scotland) Regulations 2015 (above the EU Threshold) for Goods. A Contract Strategy document has been approved by the Procurement Manager.
- 4.2** The SXL FA allows Councils to direct award to suppliers on the basis of best value. SXL has carried out the due diligence as part of the standard process prior to awarding the FA and therefore further commercial and technical evaluation was not carried out by the Council. There are 4 suppliers on each Lot - Washroom Solutions and Sanitary Products:

Lot 1: A Direct Award to Rentokil Initial is recommended based on the following:

- Rentokil Initial offers the most competitive rates on this Lot. For the most commonly used items i.e. Sanitary Bins and Offensive Waste bins, their rates are 44% and 39% less than the next most competitive provider. As Rentokil Initial rates are 6% and 58% more than HES's previous rates, future spend is likely to exceed the budgeted amount therefore using the most competitive provider will minimise the financial impact to the Council. It is estimated that this will be £7,000 per annum or 9% overall.

Lot 2: A Direct Award to Hey Girls (a Community Interest Company) is recommended for future sourcing of sanitary products:

- Hey Girls have the capacity and capability to meet the Council's demands and are the only provider on Lot 2 who can deliver the Council's requirements exactly in terms of products and pack sizes.

- There are no other collaborative FA's in place that Councils can call off from as the Scotland Excel FA was developed specifically in response to the period poverty initiative.
- Hey Girls will deliver products direct to site with no additional costs for delivery.

4.3 It is recommended that the contract for Washroom Solutions Lot 1; is awarded to Rentokil-Initial based in Blackwater, Camberley, England, with premises also based in Monklands Industrial Estate, Kirkshaws Road, Coatbridge ML5 4RP. The duration of the contract shall be from 1 July 2019 for a 3 year period ending 30 June 2022 with an option to extend for a further 12 months. The estimated value of the contract is £144,237 ex VAT for 3 years and £192,316 for 4 years.

4.4 It is recommended that the contract for Sanitary Products Lot 2; is awarded to Hey Girls based in The Glebe Barn, Stenton, Dunbar, EH42 ITE. The duration of the contract shall be from 1st July 2019 for a 3 year period ending 30 June 2022 with an option to extend for a further 12 months. The estimated overall value of the contract is £293,859 ex VAT for 3 years and £391,812 ex VAT for 4 years.

4.5 Rentokil-Initial is not an accredited Living Wage Employer however pay the UK Living Wage to all employees. Hey Girls is an accredited Living Wage Employer.

4.6 Rentokil-Initial has committed to delivery of the following social benefits:

- Sponsorship of a wide range of events/teams within the West Dunbartonshire area, with the Rentokil Initial logo; and
- Training workshops on clinical hygiene for Care Homes, Day Centres and Education establishments (free merchandise such as pencils, pens, rulers etc.).

4.7 Hey Girls have committed to delivery of the following range of social benefits. The definitive benefits will be agreed at contract award / implementation stage:

- Fundraising events for charities within West Dunbartonshire area;
- Training sessions to the wider community within West Dunbartonshire area (non-employees / school children);
- Donation of materials and/or labour to support community projects within the local area to the value of £250; and
- Sponsorship of a sports team or community event within the local area.

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

- 6.1** The costs in respect of the contract for Washroom Solutions Lot 1 will be met from the approved revenue budgets across the Council. It is estimated that the cost of the provision from the new provider will be around £7,000 per year higher than current budgets. Service areas will require to manage overall expenditure to minimise this additional cost where possible, though this may result in an overspend in 2019/20. Should this be the case, then future year budgets may require to be increased to cover these costs.
- 6.2** Financial costs in respect of the contract for Sanitary Products Lot 2 will be met from Scottish Government funding for both the provision within Education, Learning & Attainment and within community buildings. It is anticipated that the Scottish Government funding for these products in schools and in the community will be around £38,000 and £59,953 per year respectively (the exact funding for schools funding has not yet been allocated for 2019/20 by the Scottish Government).
- 6.3** Future years funding from the Scottish Government may change as these funding streams are reviewed by the government, however the values provided provide an indication of the likely spend over the period of the proposed use of this FA. Actual spend will be monitored against the funding provided and any issues will be reported through normal budgetary control reports to Committee and Council.
- 6.4** This procurement exercise was conducted in accordance with the agreed contract strategy produced by the Corporate Procurement Unit in close consultation with West Dunbartonshire's Health & Social Care Partnership; Education, Learning and Attainment; Environment & Neighbourhood & Regeneration and the provisions of Contract Standing Orders, the Financial Regulations and relevant procurement legislation.

7. Risk Analysis

- 7.1** The successful suppliers have no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.

8. Equalities Impact Assessment (EIA)

- 8.1** An equalities screening was undertaken to determine if there is an equalities impact. The results were that there is no equalities impact.

9. Consultation

- 9.1** West Dunbartonshire's Health & Social Care Partnership; Education, Learning and Attainment; Environment & Neighbourhood & Regeneration, Legal and Finance services have been consulted regarding the contents of this report.

10. Strategic Assessment

10.1 The Provision and Delivery of Washroom Solutions Lots 1 and 2 will contribute to the delivery of the Council's strategic priorities by supporting the provision of efficient and effective frontline services that improve the everyday lives of residents.

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12 June 2019

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Appendix: None

Background Papers: 1. Contract Strategy; and
2. EIA Screening

Wards Affected: All

