

 WEST OXFORDSHIRE DISTRICT COUNCIL Council name	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	CABINET – 22 JUNE 2022
Report Number	AGENDA ITEM 8
Subject	CLEANING AND MAINTENANCE OF PUBLIC CONVENIENCES
Wards affected	Bampton and Clanfield, Burford, Carterton South, Charlbury and Finstock, Chipping Norton, Carterton North West, Eynsham and Cassington, Witney Central, Witney south, Woodstock and Bladon.
Accountable member	Cllr Lidia Arciszewska - Cabinet Member for Environment Email: lidia.arciszewska@westoxon.gov.uk
Accountable officer	Mandy Fathers – Business Manager for Operations and Enabling Email: mandy.fathers@publicagroup.uk
Summary/Purpose	The purpose of this report is to provide options for delivery of the public convenience cleaning and maintenance service at the end of the current contract with Danfo.
Annexes	None
Recommendation(s)	That the Cabinet: <ul style="list-style-type: none"> a) Approve a one-year contract extension for the cleaning and maintenance of the Public Conveniences with Danfo; b) That a further review is carried out early in 2023 with the outcome of the review reported to Cabinet.
Corporate priorities	<ul style="list-style-type: none"> • Delivering excellent modern services whilst ensuring the financial sustainability of the Council.
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Chief Executive, Chief Finance Officer, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Group Manager, Director of Finance (Publica)

BACKGROUND

- 1.1 The current contract for cleaning and maintenance of public conveniences was awarded in Sept 2020 to Danfo and covers 13 public convenience sites across the West Oxfordshire District and 15 sites across the Cotswold District. The contract includes cleaning, maintenance, locking, unlocking, and some administration duties such as meter readings, electrical testing and legionella testing.
- 1.2 There was an open tender process with the Danto submission being the highest score and the contract was awarded for 2 years with an option to extend for a further year. The contract began 1st October 2020 and will expire 31st September 2022. While there is an option to extend for a further year, it is prudent at this stage to carry out an assessment of options available.
- 1.3 Whilst there was a joint procurement process, a separate contract is in place for each authority.
- 1.4 Danfo have performed well over the last 2 years, and they have ensured that both local authorities have won awards for an excellent standard of service. These awards are given after un-announced spot inspections have been completed.
- 1.5 The contract covers 364 days of the year with an on-call service included when the facilities are open. Danfo works in partnership with the Councils, responding to any issues promptly, ensuring the reputation of all organisations are maintained.

2. MAIN POINTS

- 2.1 Danfo have expressed a desire to extend the contract but are seeking a cost increase due to the impact of inflation over recent months.
- 2.2 An option appraisal has been undertaken into the possible future provision of this service and the outcome is as follows:

Option A – Extend the current Danfo contract for a further 1-year period to 31 September 2023

Pros	Cons
Danfo are a professional public facility provider and have extensive knowledge and many years experience in the provision of public facilities. They have industry knowledge and keep up with current technology.	Without 'testing the market', there is no proof of value for money.
Able to extend the contract with no gaps in service delivery	Pricing includes a contractors return or profit
Already a 'trusted' partner with confidence in their abilities	Revised price is above current budget
Access to back office reporting system detailing times premises were cleaned and reported maintenance issues	
Danfo have full responsibility of staff, recruitment/retention, training, sick/holiday cover reducing burden on in-house resources	

Economies of scale for purchasing cleaning produce	
Capability and capacity to carry out maintenance works as per contract specification	
Carry risk of further cost pressures beyond the latest agreed price	

Option B – Ubico take on responsibility for Public Conveniences cleaning and maintenance

Pros	Cons
Ubico are a trusted partner	Limited capability and capacity to deliver maintenance specification
They have experience of managing operational teams	Further cost pressure risk transferred to the Council
They have experience in the cleaning provision of public conveniences	May divert company from key strategic projects relating to waste and recycling contracts
Ability to vary the specification by agreement at cost price only	No back office ICT to monitor
No contractors return	Would require 'one-off' capital expenditure for set up costs for purchases of vehicles, back office systems etc.

Option C – End the current contract and re-tender

** If this option were pursued Councils would need to give the required notice to Danfo by 30 June 2022

Pros	Cons
Will test the current market position	Timelines would be extremely tight with a risk of not meeting the timeframe required to ensure a new contract in place on 1 October 2022
Will embed further inflation risk with supplier	With the uncertainty of increasing inflation any new contract may increase significantly to cover increased costs

Option D – Bring the service provision 'in-house' with directly employed staff under Publica

Pros	Cons
Increased flexibility and able to target resource	Increase resources required plus additional management/supervision
Direct control of staff and activities	No back office ICT to monitor
Ability to vary the specification by agreement at cost price only	Limited capability and capacity to deliver maintenance specification
No contractors return	Would require 'one-off' capital expenditure for set up costs for purchases of vehicles, back office systems etc.

	Further cost pressure risk transferred to the Council
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3. FINANCIAL IMPLICATIONS

3.1 The relative cost of each option is shown below. The one-year extension of the Danfo contract represents an increase of £22,301 on the 21/22 contract cost or 21%.

Option A (extend Danfo)	Revised Contract Price (2022/23)	Budget (2022/2023)	Revised Contract above Budget
	£128,400	£106,500	£21,900

Option B (Ubico)	Still awaiting a firm price but as a Teckal company pricing assumed to be in line with Publica/In-House pricing

Option C (Re-Tender)	Without 'testing' the market, it would be difficult to estimate any costings. Due to the uncertainty with the current and future unknown increases in inflation this option is considered a potential financial risk and therefore it is not proposed to proceed with this option.
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Option D (Bring service provision 'in-house')	Cost / description	
	Annual Revenue Costs	
	Staff (incl o/heads)	£104,313
	Vehicle Leasing Costs	£9,215
	Direct costs (Consumables, replacement uniforms, equipment, fuel costs etc.)	£26,680
	Total	£144,209
	Excess to Contract Price (Option A)	£15,809

3.2 The overall financial comparison to the Council’s budget is shown below. It is proposed that an extension of the existing contract with Danfo is accepted for a further year, given the price differential and the risk transfer to the Council of any further inflationary pressures in the current economic environment if Ubico or Publica were awarded the contract. Note this is a mid year contract renewal so budget impact is half year only in 22/23.

Option	Danfo	Ubico*	Publica
Contract Price	£128,400	£144,209	£144,209
22/23 Budget Impact	+£10,950	+ £18,854	+ £18,854

* To be confirmed

4. LEGAL IMPLICATIONS

4.1 The current contract with Danfo stipulates that either party must give 3 months’ notice before the expiry of the initial term of the extension period if it wishes to extend or end the service provision. This means that the Council must give notice of its intentions to Danfo by 30 June 2022.

5. RISK ASSESSMENT

5.1 The risks that have been identified and are in the body of the report.

6. EQUALITIES IMPACT

6.1 There are no unacceptable adverse effects on the protected characteristics covered by the Equalities Act that have been identified.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

7.1 There are none associated to this report

8. ALTERNATIVE OPTIONS

8.1 Due to the current economic environment it is proposed that the alternative options considered in this report be reviewed in more detail at the beginning on the new calendar year with alternative options brought back to Cabinet for further consideration.

(END)