

Nottingham City Council

Supply of Cleaning Consumables:

Short – term Procurement Options and Considerations



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1.0 BACKGROUND

The corporate contract for the provision of cleaning consumables has now lapsed, and so all spend in this area is now non-compliant and potentially at market price rather than discounted.

The contract specification and full requirement has not been finalised and so a tender exercise is not possible at this time. Some engagement work has been undertaken with those departments previously not included in the specification development, in particular Catering and TRCH.

2.0 REQUIREMENT AND RECOMMENDATION

The Council needs to have a compliant and commercially viable cleaning consumables contract whilst a full, open tender is undertaken, and a contract awarded and mobilised.

The procurement recommendation is for Nottingham City Council to award a short term contract to the previous provider, Bunzl, under the terms of the ESPO *Cleaning Materials and Janitorial Supplies* framework. The contract should be for a minimum of 12 months to allow for a full tender exercise to be completed.

From the 1 October, without a formal and compliant agreement, the Council will not have access to the previously discounted rates. Bunzl envisage the Council's total basket cost to increase by 21.09%

Further to this, the Council has experienced some supply chain disruption and challenges, and more often than not this has been mitigated by introducing different departments to alternative products that were available or manufactured in the UK. This has seen a growth in the product list currently used by the Council, a short term contract with the incumbent would allow for product rationalisation to be completed and a uniform approach to be introduced across the Council – any/all lessons learnt would be factored into the full specification.

Bunzl have proposed to that product rationalisation could reduce the cost increase to 15.23%, the pricing review and proposal have been attached. However, the ESPO framework prices are fixed until February 2023 and so a direct award under the terms of the framework would mitigate any immediate price increases.

The average monthly spend on this contract is circa £25,000.00. A potential 21.09% increase would see the monthly cost rise to £30,250.00.

As part of this recommendation, it is also suggested that the current Catering Cleaning arrangements are continued until the wider framework has been awarded and implemented. An external framework, TUCO, can enable this. The annual spend for this area is below £25,000.00.

3.0 PROCUREMENT OPTIONS

There is the opportunity to Direct Award this contract utilising the *Cleaning Materials and Janitorial Supplies* framework, available via ESPO.

Cleaning materials and janitorial supplies available under this framework, include (but not limited to):

- floor care
- washroom cleaning chemicals

- kitchen cleaning chemicals
- general cleaning chemicals
- chemical concentrates
- cleaning / janitorial equipment
- paper products.

The incumbent provider, Bunzl, is named on the framework.

The framework provides a full specification and prepared terms and conditions.

ESPO recovers its overheads by claiming a 1% retrospective rebate from its suppliers.

The alternative, is to ask that all departments undertake quote exercises before purchasing any cleaning consumables.

4.0 CONSIDERATIONS AND RISKS

The Council needs to have a compliant cleaning consumables contract. Having a corporate wide contract allows for better visibility and control of contract spend, but also of the products used in Council owned/operated facilities.

If a cleaning consumables contract is not awarded and implemented:

- Will any services be negatively impacted that will in turn affect the Council's statutory services and reputation?
- Without a compliant contract, contract risk and supply chain volatility cannot be factored into forecasting, and without a contract the Council does not have any reassurances of controls in place to manage their own supply chain and fluctuations in cost.

Factors affecting the contract pricing:

- Global Economic Crisis
- War in Ukraine/Russia
- Inflation
- Surging Energy Costs
- Issues with affordable gas supply
- Rising cost of Crude Oil (also the raw material for many chemical products including plastic)
- Transportation cost increases due to fuel costs, closed ports (delivery vehicles and shipment containers)
- Wood Pulp – (raw material and rising cost associated with the recycling process e.g. water and energy)
- Caustic Soda
- Energy Surcharges