

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p>Place <i>This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</i></p>
<p>Consultation:</p>	<p><i>As part of the process of undertaking this review there has been consultation Hertfordshire County Council and Riversmead Housing Association as the key partners that receive services under agency agreements as part of this contract. Officers have also consulted with Circle Anglia Housing Association as a previous and potential partner.</i></p> <p><i>The existing grounds maintenance contractor has been consulted about its willingness to extend the existing contract and the additional benefits this might deliver to the Council.</i></p> <p><i>The Task and Finish Group has considered consultation results on parks and open spaces from the last residents survey and customer complaints data in relation to this contract.</i></p>
<p>Legal:</p>	<p><i>Under EU and UK procurement law the Council may extend the Grounds Maintenance contract for a period not exceeding that stated in the original invitation to tender, i.e. up to 7 years.</i></p> <p><i>Should the Council determine to let a new contract from January 2014, the size of the contract requires that it be procured in accordance with EU procurement regulations and advertised in Official Journal of the European Union (OJEU).</i></p>
<p>Financial:</p>	<p><i>As part of the review process negotiations have been conducted with the current contractor to ascertain whether service benefits and financial savings could be</i></p>

	<p><i>achieved in the event of a contract extension.</i></p> <p><i>Paragraph 2.20 of the report describes the options if an extension were to be agreed.</i></p> <p><i>Option 1 – 5 year extension – would deliver a part year saving of £12,500 in 2013/14 and £50,000 per annum in the following years.</i></p> <p><i>Option 2 – 3 year extension – would deliver a part year saving of £5,500 in 2013/14 and £22,000 per annum the following years.</i></p> <p><i>These sums represent a real reduction in the Council’s base budget and therefore an ongoing contribution towards efficiency savings.</i></p> <p><i>For both options additional savings of up to £8,000 per annum may be achieved from 2014/15 onwards from a change to contract indexation (from RPI to CPI) subject to the levels of inflation for each indicator in future years.</i></p>
Human Resource:	<p><i>There are none for this report.</i></p>
Risk Management:	<p><i>It is important to note that although a longer extension period will deliver a greater financial benefits, this must be considered in the context that it limits the Council’s ability to significantly change its approach for a greater period. In the knowledge of the current uncertainties about the future of local government finance, these risks need to be carefully weighed and assessed against Medium Term Financial Plan Objectives.</i></p> <p><i>Should the Council decide not to extend the contract there is a risk that a tender process could deliver higher prices to deliver the same service levels.</i></p>