

EAST HERTS COUNCIL

KEY DECISION – 3 SEPTEMBER 2019

REPORT BY THE EXECUTIVE MEMBER FOR ENVIRONMENTAL
SUSTAINABILITY AND THE EXECUTIVE MEMBER FOR WELLBEING

GROUNDS MAINTENANCE CONTRACT AWARD

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To agree the award of the grounds maintenance contract, for the contract period 1 January 2020 to 31 December 2028 (with the ability to extend for a further five years).
- To note that the award can be made within existing budgetary resources.

RECOMMENDATIONS FOR DECISION: That:	
(A)	Executive approve the award of the grounds maintenance contract to ‘Tenderer F’ as the most economically advantageous bid following a full EU competitive process with negotiation in accordance with the Public Contract Regulations 2015 (PCR 2015);
(B)	Executive approve that the provisional item; ‘maintenance of highways agency areas’, is included in the contract to offer a service to Hertfordshire County Council under a separate agency agreement, with full cost reimbursement;
(C)	Executive approve that the provisional item; ‘pest control’ is included in the contract.
(D)	Executive approves delegation to the Chief Executive in consultation with the Head of Strategic Finance and Property and Head of Legal and Democratic Services to enter into a contract with the recommended Tenderer and make any minor amendment to the contract that should be required.

1.0 Background

1.1 Minute 90 of 17 July 2018 Key Decision resolved that:

(A) the Council procures a new contract for the provision of grounds maintenance services with a Competitive Procedure with Negotiation as the preferred procurement approach;

(B) the contract be let for a term of 8 years with the potential for a 5 year extension;

(C) the contract be designed to deliver the same quality standards (described in Essential Reference Paper 'B' of the previous Report no. 90 to Executive, 17 July 2018, linked below) across the District on East Herts Council land, continuing with a performance/output approach as opposed to a scheduled delivery of works; and

(D) savings be made to offset the increase in costs of a new contract by no longer funding a "top up" to cut Hertfordshire County Council verges to the East Hertfordshire Council standard (saving approximately £800,000 over the contract term).

1.2 The procurement exercise was carried out by the council with specialist consultancy support.

1.3 The council had previously carried out a process of 'soft market testing' to meet companies in the industry, which provided useful information to help design a contract that would be attractive to the industry and achieve competitive bids.

1.4 The contract specification was informed by a Member task and finish process establishing the key standards and objectives.

1.5 The contract was advertised widely through the Official Journal of the European Union (OJEU) process confirming interest from a good range of providers in accordance with PCR 2015.

1.6 Procurement documents were produced and bidders were invited to tender on 2 November 2018. Closing date for receipt of all final bids was 10 May 2019, followed by an evaluation and moderation process.

1.7 The main depot proposed for the contractor is in Buntingford using the same accommodation as the existing grounds contractor sharing yard space with the waste contractor.

1.8 The contract consists of

- the care of grass including amenity areas and verges, ornamental fine turf, rural meadow and conservation cuts and sports facilities including football pitches and tennis courts
- hedge maintenance
- shrub bed maintenance
- planting and maintenance of annual bedding schemes, bulb and wildflower displays
- maintenance and inspection of ditches, ponds, watercourses, weed control, cleansing of paths and car parks
- maintenance, repair and inspection of children's play areas and equipment
- maintenance of the council's tree stock

1.9 The contract is let for eight years, commencing January 2020 with an option to extend for a further five years.

2.0 Report

2.1 The weighting criteria applied to the tender evaluation was 40% price and 60% quality.

2.2 Eight submissions were received in the initial selection questionnaire stage (SQ) where tenderers expressed an interest to be included in the shortlist of companies invited to tender.

2.3 Six bidders were invited to tender and four were successful in being taken through to the negotiation stage.

2.4 Tenderers were requested to provide written quality method statements relating to the specific contract requirements, in addition to their detailed prices.

2.5 The grounds maintenance budget is approximately £1.4m per year.

2.6 *Affordability*

2.6.1 This new contract has additional requirements compared to the current one; for example the addition of tree and play area maintenance. An affordability assessment was undertaken to assess the overall price in relation to the current budget provision. The soft market testing exercise indicated that the worst case scenario might be a price increase of approximately 11%. However, the overall price of grounds maintenance tendered through this procurement would reduce costs by approximately 12%. It should be noted however that as some aspects have changed, this is an approximation.

2.6.2 Whilst the majority of operations are delivered at core rates to a performance standard, some will be delivered to an agreed specification at scheduled rates. Some tasks in the current contract were priced at core rates or were delivered through other contracts, whereas some of these same tasks in the new contract are to be delivered at schedule of rates prices. This makes a 'like for like' comparison in some areas of the contract more difficult;

2.6.3 Tree works for example have previously been tendered through local contractors in geographical packages. The works arising from our tree risk inspection process will now be carried out by a specialist team within the grounds contract at an agreed set of rates. The quantities vary each year so the comparison is based on estimates. Likewise some areas of play maintenance, where previously carried out at an annual core rate, will in future be delivered at a scheduled rate. Much of the more

complex play repairs were previously tendered through a separate specialist contract and are now to be carried out at scheduled rates within the new grounds contract.

2.6.4 Despite these variable aspects, the affordability assessment has concluded that the new contract is affordable and can be delivered without the need for any increase in budget. This is a considerable achievement in the context of inflation and the indications from the work of the Task & Finish group.

2.7 The evaluation methodology was set out in the 'instructions to tenderers' document. It assesses the price of each bid on a relative basis compared to the lowest bid. The quality aspect was assessed against the scoring criteria.

2.8 *The Final Scores*

2.8.1 The modified specification and robust contract procurement has resulted in a successful process to achieve an affordable price for the continuation of the grounds maintenance requirements, whilst retaining quality standards across the district that match the existing provision.

Tender	Quality Score (Max 4000)	Quality Ranking	Price £ Score (Max 6000)	Price Ranking	Total Score (Max 10000)	Ranking Total Score
A	Excluded at Stage 1					
B	Excluded at Stage 1					
C	3420.00	4	4284.49	4	7704.49	4
D	3580.00	2	4547.63	3	8127.63	3
E	3800.00	1	5382.55	2	9182.55	2
F	3550.00	3	6000.00	1	9550.00	1

2.8.2 The evaluation panel considers that the proposal from Tenderer F represents the highest scored proposal when combining quality with price and is the most economically advantageous tender. This represents a proposal that most

closely aligns with the council's objectives and requirements, and is via a contractor with the appropriate experience, capacity and resources to deliver it.

2.8.3 Based on the information provided in this report, it is recommended that Executive approves that the council enters into a contract award to Tenderer F. Full details of the contract can be viewed from the contracts register on the East Herts Council website.

2.8.4 The procurement timeframe allows for mobilisation of the new contract prior to the start date. The experience tenderers have of contract mobilisation has been assessed through a specific quality method statement.

2.9 *Provisional Items*

Tenderers were required to offer prices to carry out works on a provisional basis for two items. Considerations of these have resulted in the following recommendations:

Item 1 - to maintain verges on behalf of Hertfordshire County Council (HCC) as part of a separate agency agreement

2.9.1 A competitive price for these works enables the council to offer Hertfordshire Highways (HCC) the same level of current service under a new agency agreement, at virtually the same cost. The rates for grass cutting are significantly lower. This means that HCC would, should they wish, be able to discharge this function to the council with minimal increase to them (£2,000). This item should therefore be retained in the contract and will be offered to the contractor subject to acceptance from HCC.

Item 2 – to perform a pest control service for vulnerable residents only, along with providing a service to treat pests on the council's owned land such as parks, open spaces, and in its buildings and assets

The council currently commissions these works through a separate contract which expires in December 2019. The tenderer has provided sufficient reassurance through their method statements that they have capacity and expertise to deliver a reliable service to the prescribed quality standards. This area of provision has wide corporate crossover. Officers within Housing and Health, Property Services and Assets and Estate Management agree that this limited service is delivered as part of the grounds maintenance contract. Resident enquiries will continue to be fronted by Customer Services. Housing and Health will continue to administer the concessionary scheme.

2.10 Headline enhancements

The new contract will deliver enhanced service offerings in a number of areas including some environmental initiatives:

- Electronic contract management complementing the council's existing customer enquiry and monitoring systems. This will provide live progress of contractor activities backed up with photographs and reports to inform performance indicators. Inspections on handheld devices will be capable of being instantly uploaded and available for both client and contractor to view reducing in-house monitoring and putting the onus on the contractor to sign off work that meets the specification as they progress.
- All vehicles and ride-on machinery will be equipped with a tracking device to monitor work efficiency and driver safety. This will increase fuel efficiency by targeting and modifying poor driving behaviours and allow for more efficient deployment of machinery.
- The works programme will be available to the public on a web site allowing customers to search with a postcode. This will help to manage customer enquiries by providing information directly to residents such as when their grass is due to be cut.

- 100% of the green waste that arises as a result of the contractor's activities will be recycled or reused, composted and returned to site. The aim is to also to maximise the recycling of all other waste, including segregating litter and debris into the appropriate recycling streams at source and recycling all waste derived from their depot and offices.
- 100% of the pedestrian handheld equipment used on the contract such as strimmers, blowers and hedge cutters will be battery-powered by end of second year. These reduce CO2 emissions and provide a cleaner and quieter service. The contractor will work with dealers in the trialling and development of larger battery powered machines, towards becoming carbon neutral.
- As part of their commitment to minimising air pollution, 100% of the vehicle fleet will be Euro 6 compliant and below 3.5 tonnes. The lighter the vehicle, the more equipment and passengers they are able to transport legally, with fewer required trips and vehicles, resulting in lower emissions as well as cost saving. The Contract Manager will drive a hybrid vehicle.
- The contractor will take an holistic approach to controlling the use of chemicals whilst ensuring that standards of weed control are maintained. This includes careful choice of chemicals and their use, targeting the reduction of pesticides use throughout the contract, continually trialling alternatives and use of recycled mulch.
- There is a commitment to an ongoing reduction in validated complaints as a standalone performance indicator.
- There is a commitment to three paid apprentices on the contract each year, lasting a minimum of two-years, ensuring the individuals gain the skills and qualifications they need to become fully fledged members of the team.

2.11 Mobilisation

2.11.1 An important factor in the success of the Contract will be the period prior to contract commencement. The successful contractor is required to work closely with the council to ensure that services of the specified quality are provided from the first day. The procurement timescale includes for a mobilisation period of three months, from October 2019 to December 2019.

2.11.2 Tenderers outlined a mobilisation plan and their experience through their method statements. This included details of resources for co-ordination of the mobilisation, reference examples of successful mobilisations in the last five years and statements on their approach to TUPE and pensions.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Report no. 370 to Overview & Scrutiny Committee, 20 February 2018:
<http://democracy.eastherts.gov.uk/ieListDocuments.aspx?CId=515&MId=3172&Ver=4&J=1>

Report no. 90 to Executive, 17 July 2018:
<http://democracy.eastherts.gov.uk/ieListDocuments.aspx?CId=119&MId=3379&Ver=4&J=3>

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