
Grounds Maintenance Services Tender Award

Committee considering report:	Executive on 6 September 2017
Portfolio Member:	Councillor Dominic Boeck
Date Portfolio Member agreed report:	01 August 2017
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Forward Plan Ref:	EX3376

1. Purpose of the Report

- 1.1 Further to Commercial Board approval for officers to procure a new joint grounds maintenance contract with Newbury Town Council and Thatcham Town Council, this paper aims to inform the tender process and seeks delegated authority, from the Executive, to award the contract.

2. Recommendation

- 2.1 The Executive resolves to delegate authority to the Head of Transport and Countryside, in consultation with the Head of Legal Services and the Head of Finance, to award and enter into a contract with the successful bidder.

3. Implications

- 3.1 **Financial:** The maximum potential value of a combined 10 year contract is over £10 million.
- 3.2 **Policy:** A combined approach fits well with the devolution agenda. Should open space assets devolve to either town council then there is no reduction in economies of scale which could otherwise negatively impact financially on the WBC element of the contract.
- 3.3 **Personnel:** TUPE will apply to the current contractor's employees. This will be dealt with under existing legislation.
- 3.4 **Legal:** The tender process is subject to the application of the Public Contracts Regulations 2015 and a written contract would need to be in place before the commencement of services.
- 3.5 **Risk Management:** TUPE will apply and associated arrangements take time and can be complex. This is for the successful contractor to resolve.
- 3.6 **Property:** This contract is for the maintenance of the Council's open space assets and sports related properties including Henwick Worthy and other built sports facilities.
- 3.7 **Other:** n/a

4. Other options considered

- 4.1 Officers considered bringing the grounds maintenance contract in-house, however this was dismissed. There would be greater overhead costs related to this option and there is too much uncertainty around the Council's budget for this to be a viable option.
- 4.2 Officers also discussed with Highways colleagues about the possibility of combining the grounds maintenance contract with the highways contract but again this was dismissed as an option. Grounds maintenance is not a core function of highways contractors and the contract would most likely have to be sub let with the associated loss of control and greater management and supervision costs.
- 4.3 Officers considered the Eastern Shires Purchasing Organisation (ESPO) Framework but this was considered to be restrictive, as this Framework does not include a number of significant grounds maintenance contractors. The two current grounds maintenance contractors are not part of this Framework in any case.

Executive Summary

5. Introduction / Background

- 5.1 The current Grounds Maintenance Contract with ISS Facility Services (ISS) is due to expire on the 30th September 2017. An extension of 3 years was awarded in 2014 on the basis that the contractor offered an ongoing saving to allow the Countryside Service to meet savings targets. The current contract will remain in force until the new contract commences on January 8th 2018.
- 5.2 Pre-procurement consultation, undertaken last year, with suppliers of grounds maintenance services, generally indicated that a larger contract, over a longer period, could potentially allow more favourable contract rates to be realised. Officers therefore took the opportunity to speak to colleagues at Newbury and Thatcham Town Councils to establish if they would be prepared to package their grounds maintenance obligations into one larger contract so as to achieve as far as possible any benefits from economies of scale.
- 5.3 After concluding their own internal discussions, both town councils agreed to a joint contract. They have however insisted that if the joint procurement does not realise expected benefits in terms of cost and quality they can withdraw from the joint procurement. This can be accommodated by letting the new contract as a 'framework' i.e. one general specification but with overall costs being identified separately for each council as individual lots. This means that one or more parties can withdraw without impacting on the contract price for the others.
- 5.4 Having sought permission from Commercial Board in January 2017 to proceed with a joint procurement arrangement officers sought expressions of interest and received 11 submissions. Having carried out a scoring exercise these have been reduced down to 6 contractors, including the current contractor for this Council and Newbury Town Council's current contractor. These 6 contractors have been invited to tender for the contract.
- 5.5 All parties are now awaiting the return of the tender submissions on the 21st August. Thereafter the tenders will be evaluated jointly and a preferred bidder determined. Both TTC and NTC will then have to make a recommendation to their respective decision making bodies as to whether they intend to participate in a joint contract.
- 5.6 The contract is due to be awarded on the 11th September so as to allow the successful bidder sufficient time to mobilise and implement (if required) TUPE requirements. It is hoped to commence the contract on January 8th 2018.

6. Proposal

- 6.1 This paper seeks the required delegated authority from the Executive for the Head of Transport and Countryside, in consultation with Head of Legal Services and the Head of Finance, to award and enter into a contract with the successful bidder.

7. Conclusion

- 7.1 A longer term contract of 10 years, in partnership with Newbury and Thatcham Town Councils, has the potential to deliver value for money as a result of economies of scale.

8. Appendices

8.1 Appendix A – Supporting Information

8.2 Appendix B – Equalities Impact Assessment