
Contract Award for the Provision of Grounds Maintenance

Committee considering report:	Executive
Date of Committee:	3 November 2022
Portfolio Member:	Councillor Richard Somner
Date Portfolio Member agreed report:	24 August 2022
Report Author:	Chris Pathmadeva, Category Manager for Communities and Wellbeing and Countryside Team
Forward Plan Ref:	EX4208

1 Purpose of the Report

This paper seeks Executive approval to award the Grounds Maintenance Contract following a tender process.

2 Recommendations

2.1 The Executive resolves to:

- (a) award the contract for the provision of Ground Maintenance Services to the successful bidder; and
- (b) delegate authority to the Service Lead Legal & Democratic Services in consultation to finalise the terms of the agreement as set out in the tender documents and to make any necessary drafting or other amendments to the terms of the agreement which are necessary to reach final agreement but do not materially affect the intent and substance of the agreement.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	The current revenue budget for the Grounds Maintenance Contract is £703k, with an additional yearly contribution of £58k from Commuted Sums bringing the total annual budget to £761k. The new contract proposal has an annual cost of

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	<p>£1.02m, including an additional allowance of £10k for ad hoc work. This leaves a Revenue budget pressure of £317k.</p> <p>This pressure will be fully funded in 23/24 from existing Commuted Sums currently in reserves (there are currently commuted sums to the value of £505k for grounds maintenance use in the Council's reserves).</p> <p>Beyond 23/24, the Service will continue to draw on commuted sums to cover the shortfall, however efficiencies in service delivery will also be brought forward (subject to a delegated revision to the contract) to bring costs closer to the existing budget. As a last resort, investment bids would be sought from the Council's revenue budget to cover any remaining shortfall.</p> <p>The contract will be subject to CPI in April of each year, however there will be no inflation until April 2024. This will be factored into the contract inflation process for budget build purposes.</p> <p>Jonathan Martin, Finance Manager, 23/08/22</p>
Human Resource:	<p>The playground inspection function is being brought in-house – TUPE will apply and Harriet Saunders, HR Manager, is assisting with this transfer</p>
Legal:	<p>The Contract was advertised through the Council's In-Tend procurement portal in line with Public Contracts Regulations 2015 and the Council's constitution. The contract will need to be finalised prior to commencement on terms included in the tender.</p> <p>In relation to the budgetary constraints from year 2024 onwards please note that the contract as tendered did not anticipate a reduction in specification during the term and was not therefore tendered on that basis. The financial pressure suggests that we may need to reduce the specification at some point within the initial term, if the funding shortfall cannot be met. This would potentially expose the Council to a material amendment and be likely to expose the Council to loss of profit and other costs that may be required by the Contractor to effect the change.</p> <p>It should be noted that if the money is not in the budget for the contract, the Executive cannot award the contract for the Term.</p> <p>Claire Say, Principal Lawyer, 21/09/22</p>

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Risk Management:	N/A			
Property:	N/A			
Policy:	N/A			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?	X			The contract requires adherence to Equality Act 2010 and The Equality and Human Rights Commission's Guidance for Employers
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?	X			The contract requires adherence to Equality Act 2010 and The Equality and Human Rights Commission's Guidance for Employers

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Environmental Impact:	X			The contractor has committed to the provision of a number of electric vehicles on this contract with an opportunity to expand this over the life of the contract as technology improves. The successful bidder have previously been involved in the installation of wildflower turf on roundabouts which have environmental benefits in their own right but also reduce maintenance inputs. Both parties will work towards reducing pesticide use to the absolute minimum. The successful bidder are aware of potential changes in rural verge maintenance for wildflowers whilst maintaining road safety and will be integral to the project ongoing.
Health Impact:				N/A
ICT Impact:				N/A
Digital Services Impact:				N/A
Council Strategy Priorities:				This report will meet the following Council Strategy priorities: Maintain a green district
Core Business:				BAU
Data Impact:				N/A

Consultation and Engagement:	<p>A pre-market engagement event was carried out with potential service providers. This included a Prior Information Notice (PIN) to suppliers to notify of the forthcoming procurement as part of the stakeholder engagement.</p> <p>Richard Somner – Portfolio Holder</p> <p>Claire Say – Principal Lawyer</p> <p>Jonathan Martin – Finance Manager</p> <p>Harriet Saunders – HR Service Manager</p> <p>Procurement Board</p>
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4 Executive Summary

- 4.1 This report seeks approval from Executive to award a 5 year contract (with an option to extend for a further period of 5 years) relating to the provision of Grounds Maintenance across West Berkshire following an open tender process. The contract is due to commence in January 2023.
- 4.2 The aggregated value of this contract dictated that it be advertised in accordance with the requirements of the Public Contracts Regulations 2015 as an open tender process.
- 4.3 The preferred option for procurement was approved by Procurement Board on 17th March 2022
- 4.4 The contract covers the following provisions:
 - Urban open spaces and parks grass maintenance
 - Urban and rural highway grass cutting
 - Litter, litter bins and dog bins
 - Sports pitches maintenance including a major sports facility with grass and artificial surfaces at Henwick Worthy.
 - Maintenance of horticultural areas including roundabouts
 - Also including buys ins; i.e. schools grounds maintenance, council facilities grounds maintenance, parish dog bins collections
- 4.5 Three bids were received by the Council. The evaluation panel consisted of 4 officers from the Countryside Team and the evaluation criteria was based on 70% Quality (including 10% Social Value) & 30% Price.
- 4.6 The successful bidder scored 74 points out of 100 in the scoring matrix, with the unsuccessful bidders scoring 71 and 68 respectively.
- 4.7 Officers are therefore seeking approval from Executive to formally award the Contract to the successful bidder.

5 Supporting Information

Introduction

5.1 Following the submission and approval of the Procurement Strategy on 17th March 2022 to Procurement Board, the Grounds Maintenance Invitation to Tender was advertised on the Council's procurement portal and all relevant Government portals in June 2022 and 3 tender proposals were received in July 2022.

Background

- 5.2 Many of the landscaping and grounds maintenance industry's markets were adversely affected by the C-19 outbreak due to responsive actions by the government, including stay-at-home measures and the closure of schools, retailers, hotels and sports clubs. As a result, demand for industry services fell during 2020/21, and is likely to remain constrained in the current year.
- 5.3 Global supply chain and manufacturing disruptions are expected to have limited the equipment, machinery and materials available for the industry to use, inflating costs for operators.
- 5.4 Companies are expected to continue to contend with businesses and consumers, including local authorities, managing spending budgets with greater care while economic conditions remain uncertain. These factors were likely to be reflected in contractor costs.
- 5.5 Grounds maintenance contractors are also experiencing difficulties in recruiting and retaining staff, with many staff on the front line of services being paid at or close to the minimum wage. Within the current contract we are experiencing greater machinery downtime due to supply chain issues. Both of these factors are absolutely critical to the delivery of a successful contract.
- 5.6 It was very clear that uncertainties regarding fuel prices and the rate of inflation would have an impact on how contractors tendered for this particular contract.

Proposals

- 5.7 All bids received were evaluated in accordance with the published evaluation criteria. The evaluation criteria, amongst other things, tested all bidders' ability to deliver the service and addressed the issues, noted below at s5.17, which have arisen in the course of the previous contract. As a consequence of retendering and careful selection the following improvements will be realised over the life of the Contract.
- 5.8 The proposed urban grass team are well staffed with full time and seasonal operatives and significantly they have a team leader to oversee productivity and be responsible for the same. Lack of supervision has caused issues in the current contract. They have a designated horticultural operative linked to a team leader who will carry out work on roundabouts and other horticultural operations. This level of staffing is very much required on this contract. Under previous contractual arrangements the horticulture team were shared with Newbury Town Council.

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- 5.9 The contractor will have access to the Services contract management and customer enquiry management system which will deal with finance, budgeting, open space management, employee and works programme management. Public requests for service will be handled directly by the Contractor against a set service standard (KPI) for which the contractor will be accountable. This provides a greater level of customer service than the current ELM system which will be replaced.
- 5.10 To ensure that it is not simply “business as usual”, the successful bidder is required to ensure standards are continuously achieved. Staff will be re-trained at the start of the contract and a bespoke Quality Standards Pictorial Guide will be produced, which will be aligned to the Council’s Specification. Daily self-monitoring undertaken by Team Leaders ensure standards are achieved whilst detecting any substandard work. This enables immediate rectification actions to be taken by the client and contractor. A minimum of 15% of the previous day’s recorded task completions will be monitored by the contractors’ Assistant Contract Manager through site inspections and viewing photographs uploaded onto the contract management system.
- 5.11 Other added benefits include a promise to provide residents access to the contractor’s work schedules and engaging with them to proactively gain feedback to help inform improvements and deliver a customer-focused, quality service. Furthermore they will host online webchat event each season, allowing residents to talk directly to contractor’s Management Team.
- 5.12 They will have also designated ‘Community Champions’, who will be given additional customer service training and be competent communicators. They will wear a ‘Community Champion’ high-viz identifying them whilst onsite, providing a visible presence for the public to ask questions and engage with them.
- 5.13 The Successful bidder have stated that they will be paying staff a sum close to the living wage which should help address recruitment and retention issues, both of which have significantly hampered the current contract to date.
- 5.14 Officers are clear that regular proactive contract management will be required in order to hold the contractor to account and to ensure they deliver against each of the promises made in their submission.

Finance

- 5.15 The estimated annual contract costs, including for additional works, is £1.03m. The overall contract revenue budget available is £703k. This represents an increase of £283k in the contract value and a budget pressure of £327k. The most significant increase in costs is down to the maintenance of grassed areas and cleansing operations.
- 5.16 The costs for the first year (up to the end of March 2024) of the contract are fixed and thereafter adjusted on an annual basis by CPI.
- 5.17 The significant price increase in the proposed contract sum should be viewed with respect to the following

- The main price increases are in the areas of grass cutting (£344k) and waste/dog bin cleaning (£135k).
- The current contract from 2018 has been significantly under resourced and performed particularly poorly. Service requests for Grounds Maintenance (grass cutting and dog bin emptying) issues forms the single largest area of correspondence for the Environment Department.
- The Board will note that WBC currently benefit from economies of scale as a result of the shared contract with Newbury Town Council (NTC) – these savings will not be realised in the proposed new contract from 2023.
- The new contract does not represent a change in specification, however it is clear that the previous contract was significantly under-priced which resulted in quality issues throughout the life of the current contract.
- To address the recruitment issues in this area increased salaries have been proposed. This should assist with staff retention, which has been a significant issue in the current contract.
- As will be experienced across the Council, inflation and fuel costs are significantly increasing, as are machinery and plant deployed on the contract and these risks will have been built into all tender prices
- The contract will be subject to CPI in April of each year, however there will be no inflation until April 2024.

6 Other options considered

- 6.1 Officers considered procurement options for grounds maintenance prior to the commencement of the current contract in 2018. Particular consideration was given to an in-house option as well as procurement through an existing framework. Both were dismissed for reasons which are still relevant in the current climate. An in-house service isn't appropriate for a contract of this size given the capital investment required and the lean client structure which exists, whilst frameworks often apply a 'one size fits all' approach which are unresponsive to change.
- 6.2 Another approach officers considered briefly was to break down the various contract elements into lots. This approach had its own advantages and disadvantages.
- 6.3 Overall officers considered that in practice breaking the contract up and employing multiple companies was more likely to increase the risk of failure of the contract as they may, in fact, have less resilience given the current economic uncertainties, Brexit concerns and Covid 19 impacts. Greater certainty over contract size has inherent value in itself making the tender more attractive to bidders.

7 Conclusion

7.1 The Executive resolves to:

- (c) award the contract for the provision of Ground Maintenance Services to the successful bidder; and
- (d) delegate authority to the Service Lead Legal & Democratic Services in consultation to finalise the terms of the agreement as set out in the tender documents and to make any necessary drafting or other amendments to the terms of the agreement

which are necessary to reach final agreement but do not materially affect the intent and substance of the agreement.

8 Appendices

8.1 Appendix A – Equalities Impact Assessment

8.2 Appendix B – Data Protection Impact Assessment

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position

Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

Wards affected: All

Officer details:

Name: Chris Pathmadeva
Job Title: Category Manager – Communities & Wellbeing
Tel No: 01635 503607
E-mail: chris.pathmadeva1@westberks.gov.uk

Appendix A

Equality Impact Assessment (EqIA) - Stage One

What is the proposed decision that you are asking the Executive to make:	Contract Award for the provision of Grounds Maintenance for the period from January 2023 to March 2028
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council's priorities for improvement? <ul style="list-style-type: none"> • Ensure our vulnerable children and adults achieve better outcomes • Support everyone to reach their full potential • Support businesses to start develop and thrive in West Berkshire • Develop local infrastructure including housing to support and grow the local economy Maintain a green district • Ensure sustainable services through innovation and partnerships 	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Name of Budget Holder:	Paul Hendry
Name of Service/Directorate:	Environment Department / Place Directorate
Name of assessor:	Chris Pathmadeva
Date of assessment:	23 rd August 2022
Version and release date (if applicable):	

Is this a ?		Is this policy, strategy, function or service ... ?	
Policy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	New or proposed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Strategy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Already exists and is being reviewed	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Function	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Is changing	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Service	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		

(1) What are the main aims, objectives and intended outcomes of the proposed

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decision and who is likely to benefit from it?	
Aims:	Provision of a Grounds Maintenance contract
Objectives:	The main objective is to make sure that we have a Grounds Maintenance Contract, in place after the 8 th January 2023, which provides value for money and delivers a quality service to our customers whilst addressing the issues faced in the current contract
Outcomes:	The issues faced in the current contract have been addressed by the successful bidder and regular contract monitoring meetings will ensure issues are dealt with on a proactive rather than reactive basis
Benefits:	The proposed urban grass team are well staffed with full time and seasonal operatives and significantly they have a team leader to oversee productivity and be responsible for the same

(2) Which groups might be affected and how? Is it positively or negatively and what sources of information have been used to determine this?

Group Affected	What might be the effect?	Information to support this
Age	Positive	The contract requires adherence to Equality Act 2010 and The Equality and Human Rights Commission's Guidance for Employers
Disability	Positive	The contract requires adherence to Equality Act 2010 and The Equality and Human Rights Commission's Guidance for Employers
Gender Reassignment	N/A	
Marriage and Civil Partnership	N/A	
Pregnancy and Maternity	N/A	
Race	Positive	The contract requires adherence to Equality Act 2010 and The Equality and Human Rights Commission's Guidance for Employers

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Religion or Belief	Positive	The contract requires adherence to Equality Act 2010 and The Equality and Human Rights Commission's Guidance for Employers
Sex	Positive	The contract requires adherence to Equality Act 2010 and The Equality and Human Rights Commission's Guidance for Employers
Sexual Orientation	N/A	
Further Comments:		
N/A		

(3) Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Clauses within the contract address the requirement to adhere with equality legislation and promote equal opportunities	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Clauses within the contract address the requirement to adhere with equality legislation and promote equal opportunities	

(4) Identify next steps as appropriate:	
EqIA Stage 2 required	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Owner of EqIA Stage Two:	
Timescale for EqIA Stage Two:	

Name: Chris Pathmadeva

Date: 23rd August 2022

Please now forward this completed form to Pamela Voss, Equality and Diversity Officer (pamela.voss@westberks.gov.uk), for publication on the WBC website.

Appendix B

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Place
Service:	Environment
Team:	Countryside Team
Lead Officer:	Paul Hendry
Title of Project/System:	Provision of Grounds Maintenance
Date of Assessment:	23 rd August 2022

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p><i>Note – sensitive personal data is described as “ data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will you be processing data on a large scale?</p> <p><i>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will your project or system have a “social media” dimension?</p> <p><i>Note – will it have an interactive element which allows users to communicate directly with one another?</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Will any decisions be automated?</p> <p><i>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	Yes	No
Will your project/system involve CCTV or monitoring of an area accessible to the public?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will you be using the data you collect to match or cross-reference against another existing set of data?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will you be using any novel, or technologically advanced systems or processes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised		

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.