

Report to Cabinet

23 September 2021

By the Cabinet Member for Leisure and Culture



**Horsham
District
Council**

DECISION REQUIRED

Partially exempt

Appendix 1 exempt under Paragraph 3 of Part 1 of the Schedule 12A to the Local Government Act 1972

Tender of the Council's contract for grounds maintenance

Executive Summary

The current grounds maintenance contract expires on 31 January 2022. To ensure a smooth transition, the new contract will be in place to start on 1 February 2022. A procurement process has been undertaken and a number of bids were received, as detailed in Appendix 1 (exempt).

The aims of the new contract are:

- To support the aims in the Wilder Horsham District initiative ensuring that the environment is protected and wildlife habitats are enhanced.
- To contribute towards the council's sustainability and carbon-reduction ambitions, as detailed in the Corporate Plan.
- To deliver effective grounds maintenance services for the District and to ensure value for money.

The Grounds Maintenance contract will manage approximately 120ha of land, across 235 sites. The scope of the contract includes both planned and reactive work:

- Grass cutting
- Hedge trimming
- Shrub beds and perennial planting
- Floral displays
- Bin emptying and litter collection at key sites
- Football pitches
- Ditch Clearance
- Weed control
- Minor works

The new contract will be in place for a period of seven years, with the ability to extend up to a maximum of a further seven years (a total of 14 years). The contract period will align with the arboriculture contract, should it be of value to combine the two contracts in the future.

The new contract ensures that the Council continues to provide high standards of grounds maintenance alongside a commitment to sustainable practices and reduction in carbon emissions.

To ensure the Council delivers an effective, value for money service, additional aspects have been included within the new contract that are currently delivered either by the Council's in-house team or via several smaller contracts. Financial details are included within Appendix 1 (exempt). Additional elements consist of the grounds maintenance of the open and closed cemeteries, litter collection and bin emptying at key sites as well as minor works including the installation and maintenance of paths, fencing, boardwalks, street furniture etc.

The current grounds maintenance contractor also provides additional services on a reactive basis that are not contained within the core contract. The majority of these additional services have now been included in the new contract to minimise additional, unexpected costs and to ensure the best value over the lifetime of the contract.

All additions into the new contract are cost-neutral to the Council. Where appropriate, in-house staff will be TUPE transferred (Transfer of Undertakings Protection of Employment regulations) to the resulting contractor and no additional, separate, minor works contracts will be sought in the future.

Recommendations

Cabinet is recommended:

- i) To approve the award of the grounds maintenance contract to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt).
- ii) To delegate authority to the Director of Community Services in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into the contract with the highest scoring bidder.

Reasons for Recommendations

For the Council to continue to carry out grounds maintenance services across the parks and countryside portfolio.

Background Papers

None

Wards affected: All

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Background Information

1 Introduction and Background

- 1.1 The Council has an extensive green space portfolio spread throughout the district. A current contract is in place to deliver grounds maintenance services.
- 1.2 The current contract's initial term was for seven years, ending 31 December 2020, with an option to extend for a further period. On 4 June 2020, Cabinet approved a short-term extension to this contract to enable procurement of the new grounds maintenance contract. The current contract therefore now ends on 31 January 2022 and the new contract will be in place from 1 February 2022.
- 1.3 A procurement process has been undertaken for the new grounds maintenance contract and six bids were received, details within Appendix 1 (exempt).
- 1.4 The grounds maintenance services to be carried out within the contract include: grass cutting, hedge trimming, shrub beds and perennial planting, floral displays in the town centre, bin emptying and litter collection at key sites, marking and drainage of football pitches, ditch clearance and weed control.
- 1.5 The decision as to whether to continue outsourcing the grounds maintenance services via a contract was reviewed. The benefits to the Council in retaining a contracted service include financial efficiencies due to the market's greater buying power, the ability for scaling up and down (which is particularly important with seasonal pressures on the open spaces), broader knowledge of a specialist market and easy access to technical knowledge and advice.
- 1.6 Before advertising the contract for tender, the Council's procurement team arranged a market engagement day to gauge interest and to help the Council to gather market information to inform the development of the specification. There was strong interest in the contract and 11 potential contractors attended, providing feedback on how to package the contract to appeal to the market, which encourages competitive tendering. The arboriculture contract and additional possible services that could potentially be included within the two contracts were also explored with the market. This was to gain an understanding as to whether there were additional opportunities for increased efficiencies and value for the Council.
- 1.7 The market also advised on how the contract could support the Council to achieve its carbon reduction and sustainability ambitions. Discussions included realistic timescales for aspects such as electric equipment, vehicles and machinery, where the market was reducing emissions already and plans for the next few years, as well as elements such as weed control innovations, approaches to improving biodiversity and sustainable planting.
- 1.8 The optimum length of contract was explored with the market – to ensure financial value to the Council, attractiveness to the market (to encourage a competitive tender) and to allow for depreciation of vehicles and machinery (particularly looking at how this could aid reduction in emissions). The feedback from the market was that a contract with a minimum term of five years (plus an extension of another five years) would be attractive but to gain the best value a seven year term (plus an

extension of another seven years) would be preferable and likely to attract the most competitive pricing. The market also explained that many pieces of equipment and smaller vehicles were able to switch immediately to electric power. However, larger machinery and vehicles were not currently commercially viable as electric and it was unlikely that this would be in place at the beginning of the contract term.

- 1.9 As detailed to Cabinet on 4 June 2020, a potential opportunity to align the arboriculture and grounds maintenance contracts was identified. This was explored in detail during the market engagement day. The market's responses showed that it would be advantageous to the Council to retain the arboriculture contract separately due to the specialist nature of the work. This would continue to ensure quality and close control of outcomes. Moving forward, the contract end dates for both contracts will align to enable them to be combined in the future, if needed.
- 1.10 Various ratios of differing percentages for the evaluation of price versus quality were modelled. Due to the impact of the Covid-19 pandemic and uncertainties regarding pricing within all commercial markets, a potential risk was identified as the market potentially returning bids at a much higher rate. The balance in evaluation criteria was therefore set at 60% weighting for price and 40% weighting for quality. This weighting was to encourage competitive pricing but also highlighting to the market that evaluation of quality was also of high importance to the Council.

2 Relevant Council policy

- 2.1 The Corporate Plan supports the aims of the grounds maintenance contract in order to provide 'a cared for environment' for the District. Including: (4.1.3) work with partners towards becoming a carbon neutral District; (4.1.8) improve the ecology, wildlife and biodiversity of our parks, open spaces and countryside.
- 2.2 The delivery of the grounds maintenance service through a single provider supports the objective in the Corporate Plan of being 'a modern and flexible council' and delivering services in an efficient and cost effective manner. Including: (5.3) The Council continues to provide the quality, value for money services that people need throughout the 2020s.

3 Details

Tender documentation

- 3.1 Officers prepared a comprehensive set of tender documentation. Key objectives included:
 - A collaborative long-term relationship to the mutual benefit of both parties.
 - Continuous improvements in service provision, sustainable practices, quality and cost control.
 - A focus on biodiversity and reduction in carbon emissions across the Contract term.
 - Value for money over the life of the Contract through a partnership approach, with an open and transparent approach to operating the Contract.
 - An excellent responsive service to the Client and other stakeholders.

- The use of technology to support effective service delivery and quality management.
- An experienced and effective management team to successfully provide the full range of services listed.
- Continuity of services including a seamless transfer.
- Effective management of the workforce and sub-contractors as appropriate to deliver the Services.

- 3.2 All expected tasks were listed, along with detailed specifications, locations, associated technical mapping, measurable outcomes, frequencies etc. For tasks that were more reactive and infrequent by nature, a sample range of typical work scenarios (such as installation or maintenance of a fence), were provided which could be priced by the contractors. This formed a basis for the financial evaluation of the tender submissions.
- 3.3 A set of quality questions were also prepared which allowed the bidders to demonstrate their approach to a number of relevant issues, such as their experience of similar contracts, delivery mechanisms, mobilisation, health and safety, operational management and resources, quality and performance management, sustainability and social value outcomes, partnership working and effective communication. Contractors were allowed a substantial word count in order to give comprehensive replies to these questions which could then be evaluated with a scoring mechanism.
- 3.4 The tender documentation was uploaded onto the Council's e-tendering procurement portal and advertised on Find a Tender Service and Contracts Finder. In addition to the evaluation methodology, the tender documentation included contract documentation in an approved form. This process ensures that all contractors are supplied with identical information and understand the nature of the contract that they will be expected to enter into.
- 3.5 During the tender preparation process a number of contractors raised clarification questions, which were answered. All clarification information was shared with all bidders through the procurement portal.
- 3.6 At the tender return date, the Council received six bids, the details of which are included in Appendix 1 (exempt).

Evaluation of submitted bids

- 3.7 The qualitative element of the tenders were reviewed and assessed by four officers. These officers individually scored the submissions and then met as a panel to agree moderated scores. The moderation discussion was chaired and overseen by the Procurement Manager and was supported by a Procurement Officer. There was a full discussion on the merits of the answers provided by the bidders and minutes were taken by the procurement team. A set of moderated scores and comments were agreed.
- 3.8 An analysis of the financial assessment was undertaken by officers from procurement at the same time as the qualitative analysis. This work was undertaken independently and the results were not shared with the qualitative team until the moderation exercise had been completed.

- 3.9 Interviews were then held with the top three highest scoring bidders. The contractors all gave short presentations regarding agreed aspects of their submissions. All bidders were asked the same set of questions to provide officers with further detail. The qualitative team of officers and procurement team were all in attendance at the interviews. A discussion was held between officers and the procurement team after each interview to confirm whether any information provided by each bidder affected the previously moderated qualitative scores. The outcome was that all officers agreed there was no change to the originally moderated scores and evaluation.
- 3.10 On completion of this process an analysis of the total scores was undertaken and a winning bid identified. Due diligence checks have been made on the preferred bidder specifically in relation to their financial stability and insurances. The details of the preferred bidder are included in Appendix 1.

Additional services to be included within the contract

- 3.11 Council staff currently deliver the grass cutting and hedge trimming services at the Council-owned cemeteries. These grounds maintenance services will be included within the new contract to maximise efficiencies and ensure that the grounds maintenance is consistent across all sites. All sensitive aspects of the open cemetery will be retained in-house including digging of graves, liaising with the public and funeral directors.
- 3.12 Minor works, for example the installation or maintenance of fencing, paths, street furniture and boardwalks is currently delivered through a variety of smaller contracts. All minor works will be included within the new contract and if there is the need for any sub-contracting to deliver these works, it is specified that local SME's should be prioritised.
- 3.13 Council staff currently carry out the emptying of bins and litter picking at Horsham Park and Southwater Country Park. These tasks are included within the new contract. This will enable the Council staff to prioritise their time delivering more specialist services.
- 3.14 The current contract does not include many reactive and ad hoc pieces of work, these are priced separately and on a case-by-case basis (using contractually agreed hourly rates). The majority of expected reactive and ad hoc work is included within the new contract. If needed, hourly rates and day rates for a full range of staff and machinery are also included to ensure there are no unexpected costs should an unusual scenario arise.
- 3.15 All additional elements included in the new contract (as detailed above in 3.11 – 3.14) do not provide additional costs for the Council's parks and countryside budget. Although the overall value of the contract will increase, other costs to the Council will reduce accordingly.

Playgrounds

- 3.16 The inspections and maintenance of playgrounds was included within the tender as a separate element for the contractors to provide costs and evidence operational

ability to deliver this service, at the required quality. It was purposefully separated to allow for a cost/benefit analysis to be undertaken by Council officers. The tender documentation explained that the playgrounds may or may not be included within the final contract, this would be decided at the evaluation stage and confirmed when the highest bidder was appointed. The evaluation of the cost of the playgrounds was not included within the overall evaluation of cost and quality of the contract as a whole.

- 3.17 The resulting bidders' cost submissions for the playground service did not show a significant reduction. Therefore, the inspection and maintenance of playgrounds will remain in-house and delivered by Council staff.

Sustainability, carbon reduction and social value

- 3.18 Throughout the tender documentation the importance of the contract delivering continuous improvement and a pro-active approach to improved sustainability practices and reduction in carbon emissions was emphasised. The need to support the Wilder Horsham District ambitions was also highlighted.

- 3.19 Bidders' submissions were evaluated on the evidence of how they would approach reduction of carbon emissions in-line with the Council's stated timelines. Contractors were also required to explain their approach to minimising pesticide use, options for varying or amending grass cutting regimes to allow for longer grass and increased biodiversity where appropriate and other opportunities to improve the wildlife value of the sites.

- 3.20 Contractors were also evaluated on their proposals to provide social value including detailing what wider social and economic benefits they would commit to providing throughout the duration of the contract. Aspects such as supporting the local supply chain, ethical purchasing standards, creating jobs for local people, providing work experience and apprenticeship opportunities.

- 3.21 The importance of building effective relationships with the local community and stakeholder groups was also emphasised throughout the tender documentation.

Approval of highest scoring bidder

- 3.22 Cabinet is recommended to approve the appointment of the highest scoring contractor as set out in Appendix 1 (exempt).

4 Next Steps

- 4.1 To enter into the contract and to ensure mobilisation in time for the expiry of the existing contract on 31 January 2022.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Leisure and Culture PDAG have been updated throughout the procurement process. The grounds maintenance contract was discussed in detail on 14 July 2021. Members were supportive of the approach.
- 5.2 The Monitoring Officer has been consulted and their recommendations have been incorporated in this report.
- 5.3 The Director of Corporate Resources has been consulted.
- 5.4 The Head of Human Resources & Organisational Development has been consulted regarding the proposed changes to staffing responsibilities and the potential TUPE transfer (Transfer of Undertakings Protection of Employment) of Council staff to the new contractor.
- 5.5 Unison has been consulted and all potentially affected Council staff have also been consulted regarding possible staffing changes and TUPE (Transfer of Undertakings Protection of Employment) transfer to the new contractor.

6 Other Courses of Action Considered but Rejected

- 6.1 The current contract is not legally able to be extended further, therefore a procurement process to appoint a new contractor is necessary.
- 6.2 The possible delivery of the grounds maintenance services in-house via Council staff was considered but was rejected as it was likely that costs would increase significantly.

7 Resource Consequences

- 7.1 The financial implications of the new contract are included within Appendix 1 (exempt).
- 7.2 The overall parks and countryside budget will not increase as any additional aspects that have been included within the new contract will be reduced elsewhere, as appropriate (detailed in 3.11 – 3.15).
- 7.3 The Transfer of Undertakings Protection of Employment regulations (TUPE) apply to the services moving into this contract. Unison and all potentially affected staff have been consulted. Any additional reduction in Council staffing, due to the additional aspects included within the new contract, will be via planned retirement.

8 Legal Consequences

- 8.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code.
- 8.2 In-house legal resources will be used to complete the legal documentation.
- 8.3 The Transfer of Undertakings Protection of Employment regulations (TUPE) apply to the services moving into this contract.

9 Risk Assessment

- 9.1 There are risks with the implementation of a new contract but there is adequate time to ensure a smooth transition and full information is available. It is therefore considered that this risk is controllable. Further details are included within Appendix 1 (exempt).
- 9.2 The inclusion of the cemeteries' grounds maintenance within the new contract (currently carried out by Council in-house staff) is identified as low risk, as all sensitive aspects of the cemetery service are to remain in-house. The contract specifies that the contractor must avoid particular times when burials and memorial services are underway on site.

10 Procurement implications

- 10.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code. The procurement process has been overseen by the Council's Procurement Manager and supported by a Procurement Officer, ensuring compliance.

11 Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 The tender documentation and contract ensures that the resulting contractor complies with all equalities legislation and pays due regard to any possible future impacts on human rights.

12 Environmental Implications

- 12.1 As detailed throughout the report, the reduction in carbon emissions, water, pesticides and waste as well as improvements to sustainable practices is prioritised within the new contract.
- 12.2 Key aims of the contract are to improve biodiversity, where possible, and help achieve the Wilder Horsham District ambitions.

13 Other Considerations

- 13.1 The proposed contract will ensure that the council maintains the grounds maintenance of its green spaces to a good standard and is compliant with statutory requirements.
- 13.2 The contract requires the new contractor to ensure GDPR and data protection processes are in place and compliant with all relevant legislation.
- 13.3 Crime and disorder incidents do happen in parks and open spaces. The grounds maintenance contractor will be required to report to the Council, and other relevant authorities, any concerns regarding evidence of anti-social or criminal behaviour.

