

Report of Locality Manager

Report to Chief Officer Environmental Action

Date: 16th October 2014

Subject: Invocation of Contract Procedure Rule 31.3 – Provision of Winter Works by Continental Landscapes Ltd

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Leeds City Council has a requirement to carry out leaf-fall clearance and arterial routes cleaning on a seasonal basis in the winter months. The Council's grounds maintenance contractor, Continental Landscapes, has seasonal peaks and troughs in work, with a major trough occurring in the winter months.
2. The timescales associated with procuring a contractor to undertake this work this year were prohibitive. Following negotiation, Continental Landscapes have offered to undertake the work on our behalf. The delivery of the service in-house, utilising agency staff would be more expensive than the cost of using Continental staff –there is also the added advantage to the city of retaining skilled and experienced staff currently working with Continental on seasonal contracts as well as direct savings associated with management and supervision of leaf-clearance activities and use of Continental equipment and garaging facilities.
3. Given the urgent need for this work to be carried out, and having negotiated with Continental Landscapes it is clear that it is best value for money and fitting with the council's strategic priorities to contract them to undertake this work

Recommendations

5. The Chief Officer of Environmental Action Services is recommended to approve the invocation of the following Contracts Procedure Rule:

- Contracts Procedure Rule No 31.3 – Waiver of Contracts’ Procedure Rules

DELEAFING BUDGET FOR 14/15			
	STAFFING	VEHICLE HIRE	FUEL
WNW	27,690	12,750	6,000
ENE	27,690	12,050	9,390

1 Purpose of this report

- 1.1 This report is to invoke paragraph 31.3 of the Contract Procedure Rules to waive Contract Procedure Rule (CPR) 12 in order to contract with Continental Landscapes Ltd for the provision of winter works.
- 1.2 In line with CPR 31.5 this report also seeks to explain the basis on which a waiver was not obtained when works began in early November.

2 Background information

- 2.1 Continental Landscapes Ltd is the Council's contractor for the provision of grounds maintenance services.
- 2.2 This work is seasonal in nature with peaks in summer and troughs in winter. This leads to inefficient use of resources, both human and equipment/plant in the winter months. It also can result in discontinuity of service with experienced staff being lost to Continental Landscapes over the period, which can be disruptive at the beginning of the new season.
- 2.3.1 Environmental Action Services have a requirement for seasonal leaf-clearance services in the winter months Leaf. The clearance of leaf-fall from areas of Leeds has historically been undertaken using temporary agency staffing and hired vehicles. The 14/15 budget provision for this is **£95,570** which includes staffing costs, fuel and vehicle hire. Building on the successful trials over the last two years where Continental undertook leaf-clearance work using their staff – the service has again negotiated a competitive rate for this work with Continental. The outcome of this negotiation is that Continental Landscapes will provide the staffing for leaf-fall clearance work for **£53,880** from mid October 2014 to the end of January 2015.
- 2.4 Having taken advice in relation to expanding Continentals work to cover the above, it is clear that the GM contract cannot be varied and therefore a waiver is required in order to ensure compliance with Contract Procedure Rules.

3 Main issues

Reason for Contracts Procedure Rules Waiver / Invocation

- 3.1 Critically, the offer and confirmation of external provision from Continental to undertake leaf-clearance was made at a point where time did not allow a tendering exercise. The work outlined has to commence in October/ November and the only other option would have been to deliver the service in-house, at significant extra cost and using temporary staff resources. This does not constitute best value for money.
- 3.2 Continental's existing fleet, which would otherwise be sitting idle, and staffing who would otherwise be made redundant, will be used for this work saving significantly on vehicle hire and staffing costs. Whilst the service could be delivered by the in-house service, the additional costs of vehicles in addition to agency and/or overtime staff costs would make this more expensive than provision being delivered by Continental Landscapes. We estimate that, on their own, agency staff costs for leaf-fall clearance work would amount to more than the amount Continental have quoted to undertake the work collectively.
- 3.2 The provision of the service by Continental Landscapes protects permanent Leeds jobs and means that a number of staff will not be made redundant over the winter months. The provision of permanent jobs in Leeds is obviously a strategic priority for the council. We have been instructed to reduce our reliance on agency staff and this action has delivered on this priority and meant that Continental have retained experienced staff to deliver the leafing service and the service next year.

- 3.3 Assessment of sites for traffic management and delivery and management and supervision is an important task for the delivery of leaf-clearance work. Quite often Continental Landscapes have undertaken grounds maintenance work on the areas in question and have already undertaken the necessary assessments. This has saved significant amounts of management time which would have had to be employed to undertake this work.
- 3.5 Given the above this report recommends that CPR 31 is invoked and that CPR 12 is waived in order for Continental Landscapes Ltd to provide specific leaf-fall cleaning to the value of £53,880.

Consequences if the proposed action is not approved

- 3.6 Should the proposed action not be approved and given the constraints on use of agency staff and over-time payments, leaf-fall clearance work would not be effective. The leaf-fall and arterial route cleaning service would either need to be provided using other contractors and hired vehicles, or tendered out, which would significantly delay the work, and lead to a considerable negative impact on Leeds' street environment.
- 3.7 The cost of providing a leaf-fall clearance service using agency resources and overtime would together be considerably higher than **£55,880** for the service to be provided by Continental Landscapes, which also includes use of their transport vehicles and key equipment such as leaf-blowers as well as supervision and management of the work being undertaken by Continental staff. The waiver of CPR 12 therefore constitutes best value for money and significant extra costs will be incurred by the council.

Advertising

- 3.3 No advertising was undertaken.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation was undertaken from the outset with the Contract Management Team for the Grounds Maintenance contract.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no equality implications for this report.

4.3 Council Policies and City Priorities

- 4.3.1 As above this waiver delivers value for money and also protects permanent Leeds jobs, both of which are priorities for the council. The work also ensures that Leeds communities are clean which is a City Priority.

4.4 Resources and Value for Money

- 4.4.1 The cost of using Continental provides better value for money in comparison to the estimated in-house costs using hired resources, agency staff and over-time payments.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal implications

4.6 Risk Management

- 4.6.1 No risks have been identified.

5 Conclusions

- 5.1 Given the above we believe it is best value for money and best strategically for the council's priorities to invoke CPR 31.3 and waive CPR 12 in this case. It is also clear that, unless, in these exceptional circumstances, we invoke CPR 31.3 there will be significant detriment to Leeds' street environment.

6 Recommendations

- 6.2 The Chief Officer of Environmental Action Services is recommended to approve the invocation of the following Contracts Procedure Rule:

- Contracts Procedure Rule No 31.3 – Waiver of Contracts' Procedure Rules

7 Background documents

- 7.1 None.