

Report of: Commercial Manager, Parks and Countryside

Report to: Chief Officer Parks and Countryside

Date: 21st April 2017

Subject: Waiver of Contract Procedure Rules for the purchase of bespoke horticultural equipment.

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. The Parks and Countryside horticultural nursery provides a broad range of positive outputs including city wide support for the development of volunteering and community engagement focussed activities, acting as a centre for horticulture excellence and training along with the provision of two million bedding plants and approximately 250,000 edibles per year. This volume of produce, spread across a significant variety of plants, is required to maintain existing provision which is then distributed across a geographically disperse city.
2. On 21st October 2015, Executive Board approved the injection of £6.5m to provide a replacement horticultural nursery at Whinmoor Grange to facilitate the disposal of the Red Hall estate.
3. Following the decant and establishment of a new facility, much of the existing on site operational equipment needed for plant production on this scale will become obsolete. The new building requires specialist machinery to function as intended and to offer the maximum efficiency. Given the range and variety of plants grown by the Parks and Countryside Service, the production equipment needed to meet operational requirements is both specialist and bespoke. In order to efficiently operate at the new horticultural glasshouse, four individual items of equipment are needed and these in effect combine to form a singular production line.

4. The equipment required to be purchased is specialist horticultural machinery that is necessary for the production of a significant variety of plants in very large quantities. There are only a few suppliers in the UK capable of providing the machines required and of the handful of suppliers only one is able to supply the full production line of machines. It is crucial that all the machines for the new nursery are from the same supplier as the greatest efficiency is created when the machines have been designed specifically to work with each other.
5. In order to proceed with this purchase and ensure that equipment is available following the completion of the new facility and in time to facilitate autumn production, it is therefore requested that the Chief Parks and Countryside Officer, waiver contract procedure rules to enable the purchase of operating machinery without competition.

Recommendations

The Chief Officer Parks and Countryside is recommended to approve the waiver of the following contracts procedure rule(s) in accordance CPR 27:

- Contracts procedure rule no 3.1.1.1 – The proposed procurement expenditure must be contained within a category plan
- Contracts procedure rule no 3.1.15 – requirement to use the council's standard tender documents
- Contracts procedure rules no 8.1 and 8.2 – intermediate value procurements
- Award a contract to Rotomation in the sum of £95'650 for the provision of bespoke horticultural machinery.

1 Purpose of this report

- 1.1. This report requests authorisation to waive CPRs 3.1.15, 8.1 and 8.2 to allow a deviation from standard procurement procedure to allow the purchase of bespoke horticultural equipment from Rotamation. The value of the work to be undertaken in initial phases at both sites is estimated at £95'650k.

2 Background information

- 2.1 On 21st October Executive Board approved the injection of £6.5m to provide a replacement horticultural nursery at Whinmoor Grange to facilitate the disposal of the Red Hall estate.
- 2.2 As highlighted to Executive Board, the horticultural nursery provides a broad range of positive outputs including city wide support for the development of volunteering and community engagement focussed activities, acting as a centre for horticulture excellence and training along with the provision of two million bedding plants and approximately 250,000 edibles per year. This volume of produce, spread across a significant variety of plants, is required to maintain existing provision which is then distributed across a geographically disperse city.
- 2.3 During recent years the nursery has been successful in developing an enterprising culture and has proactively sought out opportunities to generate income. Examples include the establishment of an on-site retail offer stocking surplus produce and the development of floral sponsorship opportunities which generate a combined income per annum of in excess of £400k.
- 2.4 In addition to enterprise, the nursery has a vital role in assisting the Parks & Countryside service in engaging with community groups and other third sector organisations along with providing a valuable resource in support leaning and development opportunities. In recent years there has been substantial growth in volunteer participation across the service, with volunteer activity across parks and greenspaces equating to approximately 109 full time equivalent staff. This development of volunteer activity and opportunities has been supported by the continued growth of 'in bloom' groups across the city. The nursery plays an important role in sustaining the 'in bloom' initiative which has social, economic, environmental and transformational benefits.
- 2.5 The nursery is also a valuable learning resource and plays a central role in the development in each of the 30 new horticultural apprentices engaged by the service in the last 2 years. In addition the horticultural nursery at Red Hall has successfully developed and supported numerous pathways into work opportunities including the following;
 - The establishment of an enhancement team to support with nursery operations and incoming generating extra work. The team includes former employees from Roseville Enterprises and therefore continues to provide opportunities for supported employment of vulnerable adults.

- Supporting the RHS in delivering applied learning techniques for children with special education needs with an interest in horticulture.

2.6 The additional benefits of a new nursery include the following:

- Opportunities to generate further income through purpose built plant retail and visitor facilities;
- Enhanced sponsorship opportunities in community parks;
- Create opportunities for cross council trading by maintaining current production capacity, on a site that is significantly smaller in footprint;
- Establish the horticultural nursery as a key centre for apprentices and learning.
- The continued provision and support of pathways into work opportunities.

2.7 Following the decant and establishment of a new facility, much of the existing on site operational equipment needed for plant production on this scale will become obsolete. The new building requires specialist machinery to function as intended and to offer the maximum efficiency. Given the range and variety of plants grown by the Parks and Countryside Service, the production equipment needed to meet operational requirements is both specialist and bespoke. In order to efficiently operate at the new horticultural glasshouse, four individual items of equipment are needed and these in effect combine to form a singular production line.

3 Main issues

3.1 Reason for contracts procedure rules waiver

3.1.1 The equipment required to be purchased is specialist horticultural machinery that is necessary for the production of a significant variety of plants in very large quantities. There are only a few suppliers in the UK capable of providing the machines required and of the handful of suppliers only one is able to supply the full production line of machines. It is crucial that all the machines for the new nursery are from the same supplier as the greatest efficiency is created when the machines have been designed specifically to work with each other.

3.1.2 The benefits of working with a single supplier across the whole line extend beyond efficiency of production. Due regard and consideration should also be given to the benefits that will be accrued from a single supplier in terms of ongoing maintenance, replacement of faulty or worn parts and equipment and the expedience of addressing production breakdowns. When considered in the round, these support a case for a single provider offering best value.

3.1.3 Given that the equipment proposed for purchase is bespoke, there is a long lead in prior to delivery. Horticultural production on the scale undertaken by the in house team, necessitates that autumn production commences promptly in July which coincides with the completion of the new glasshouse facility. Consequently this represents a further reason to progress with purchasing this equipment promptly.

3.2 Consequences if the proposed action is not approved

- 3.2.1 If the proposed action is not approved, then this will have consequential implication for the final completion date for the new facility. This will have significant adverse revenue impacts and operational implications, in terms of meeting production requirements for in house customer's as well private and third sector partner demand requirements.

3.3 Advertising

- 3.3.1 This procurement was not advertised and it was not considered necessary, advantageous nor practical to consider EU procurement in this instance.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 There is no requirement for consultation and engagement with regard to this waiver.

4.2 Equality and diversity/cohesion and integration

- 4.2.1 Due consideration has been given to the needs of minority groups, as required under equality legislation, in the formation of the design of the new horticultural nursery. Consideration has been given to ensuring that any new equipment purchased meets operational health and safety needs and does not create barriers to existing staff continuing to function in present roles. A screening document has been prepared for this decision and the decision taken to waive contract procedure rules in this instance has no discernible impact in the EDCI issues.

4.3 Council policies and best council plan

- 4.3.1 The outputs delivered by the Parks and Countryside Horticultural Nursery when considered from an holistic perspective support with various Council policies and strategies relevant to improving the city. The main documents are referred to below;
- 4.3.2 The Vision for Leeds 2011 to 2030 sets out a revised vision for the city with the specific objective for Leeds to be the best city in the UK by 2030. In establishing this vision one of the top priorities to emerge from consultation was for the city to be a cleaner greener city. Aspects of this priority can be found in all of the areas in which the vision is intended to make a difference, although specific reference can be made to the commitment within the vision for Leeds to be the best city to live with good green spaces where everyone can enjoy a good quality of life. The decisions proposed within this report will support in providing a more efficient parks and countryside service that will have consequential benefits across a great many different parks and greenspaces within the city which will be of benefit to residents and communities who utilise them.
- 4.3.3 The proposals contained in this report contribute to the Best Council Plan ambition of becoming a more efficient and enterprising council.

4.4 Resources and value for money

- 4.1.1 Implementing the decision proposed within this report will lead to operating efficiencies derived from enhance production volume, improved production speed. Further best value arguments can be developed from using a single supplier in terms of efficiency and streamlined future maintenance, which will be derived from having a single supplier production line in terms of ongoing maintenance, replacement of faulty or worn parts and equipment along with the expedience of addressing production breakdowns. When considered in the round, these support a case for a single provider offering best value.

4.5 Legal implications, access to information and call-in

- 4.5.1 This report is not eligible for call in due to the proposed award value, and as a result is considered a 'Significant Operational' decision.

4.6 Risk management

- 4.6.1 The equipment proposed for purchase is bespoke to the operational needs of the Parks and Countryside service horticultural nursery team. In terms of expertise, experience and knowledge, the staff within this team are best placed to specify the equipment needed to meet the varied needs of the service. On that basis any risk relating to the decisions taken within this report have been mitigated through enlisting in house expertise to determine a fit for purpose specification.

5 Conclusions

- 5.1 The Parks and Countryside horticultural nursery provides a broad range of positive outputs including city wide support for the development of volunteering and community engagement focussed activities, acting as a centre for horticulture excellence and training along with the provision of two million bedding plants and approximately 250,000 edibles per year.
- 5.2 In order to safeguard production and maintain efficiency it is necessary to purchase new bespoke equipment. There is a best value rationale that supports purchasing this equipment from a single supplier and authority is sought to waiver procurement rules.

6 Recommendations

- 6.1 The chief officer Parks and Countryside is recommended to approve the waiver of the following contracts procedure rule(s) in accordance CPR 27:
- Contracts procedure rule no 3.1.1.1 – The proposed procurement expenditure must be contained within a category plan
 - Contracts procedure rule no 3.1.15 – requirement to use the council's standard tender documents
 - Contracts procedure rules no 8.1 and 8.2 – intermediate value procurements*

- Award a contract to Rotomation in the sum of £95'650 for the provision of bespoke horticultural machinery.

7 Background documents

7.1 None