

Report of: Senior Projects Manager, Parks and Countryside

Report to: Chief Officer Parks and Countryside

Date: 31st May 2017

Subject: Waiver of Contract Procedure Rules for the purchase of material necessary for future plant irrigation at Whinmoor plant nursery.

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. Integral within that was the role of the Parks and Countryside service who committed to acting as internal service provider by carrying out the landscape development activity required to facilitate the successful delivery of the overall project.
4. This process included significant areas of cross over with the building construction process, including the formation of a rain water harvesting system that would support a bespoke horticultural irrigation systems that can facilitate the production of a significant variety of plants in very large quantities. Given the niche nature of the horticultural industry, there are only a few suppliers in the UK capable of providing integrated irrigation systems and a single company is installing the whole integrated system at Whinmoor.

5. Part of that system included the establishment of an outdoor reservoir that stores water collected from the roof of the building and this is then pumped back to the main internal irrigation system passing through a number of filtering processes and treatments before being used in production. Given the span of the building and its coverage, which is close to 18000m², there are significant engineering operations associated with the roof rainwater collection process including the transfer of rainwater through pipes and the associated civil construction that is needed to facilitate the transfer to the perimeter of the building where the header is located before entering the outdoor storage area.
6. Initial design proposals suggested that a clay lined outdoor storage facility would be sufficient. However as the design of the facility has evolved through the design and build process a plastic lined system is considered more appropriate in terms of construction and also efficiency of post completion.
7. To realise any efficiencies following this design development, it will be necessary to ensure the revised system can integrate fully with the irrigation system in terms of pump equipment location and housing and in let pipe design and formation. Furthermore it is essential to ensure continuity of installation in order to not delay or impact on the building programme for completion which would have further consequential implication for ongoing future production. It is therefore requested that the Chief Parks and Countryside Officer, waiver contract procedure rules to enable the purchase of an integrated outdoor water storage lining system from a single provider 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 CMW Horticulture Limited in the sum of £25'250 for the provision of bespoke horticultural machinery.

1 Purpose of this report

- 1.1. This report requests authorisation to waive CPRs 3.1.1, 3.1.15, 8.1 and 8.2 to allow a deviation from standard procurement procedures that will allow the purchase of bespoke horticultural irrigation equipment from CMW Horticulture Limited. The value of the work to be undertaken in initial phases at both sites is estimated at £25'250k.

2 Background information

- 2.1 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.
- 2.2 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.
- 2.3 Integral within that was the role of the Parks and Countryside service who committed to acting as internal service provider by carrying out the landscape development activity required to facilitate the successful delivery of the overall project.
- 2.4 This process included significant areas of cross over with the building construction process, including the formation of a rain water harvesting system that would support a bespoke horticultural irrigation system that can facilitate the production of a significant variety of plants in very large quantities. Given the niche nature of the horticultural industry, there are only a few suppliers in the UK capable of providing integrated irrigation systems and a single company is installing the whole integrated system at Whinmoor.
- 2.5 Part of that system included the establishment of an outdoor reservoir that stores water collected from the roof of the building and this is then pumped back to the main internal irrigation system passing through a number of filtering processes and treatments before being used in production. Given the span of the building and its coverage, which is close to 18000m², there are significant engineering operations associated with the roof rainwater collection process including the transfer of rainwater through pipes and the associated civil construction that is needed to facilitate the transfer to the perimeter of the building where the header is located before entering the outdoor storage area.
- 2.6 Initial design proposals suggested that a clay lined outdoor storage facility would be sufficient. However as the design of the facility has evolved through the design and build process a plastic lined system is considered more appropriate in terms of construction and also efficiency of post completion.

3 Main issues

3.1 Reason for contracts procedure rules waiver

- 3.1.1 The irrigation system proposed for installation in the new nursery facility is bespoke and will play a vital role in ensuring the building is sustainable in terms of its environmental impact and also with regards to minimising ongoing revenue costs. Having a viable and efficient storage system to harvest rain water is critical. The rationale for moving from a clay lined option to a plastic lined system is built around the sustainability and efficiency of the holistic system in the long term. Given a single provider is responsible for the installation of the remaining system, due consideration needs to be given to how a lined system will incorporate the embedded equipment within the storage area. The single provider proposed to implement this design change is also providing the whole onsite irrigation system and therefore extending that organisations role to incorporate a further element will provide benefits in terms efficiencies in installation which will expedite this process and provided a more rounded and less disjointed installation.
- 3.1.2 The benefits of working with a single supplier for the whole irrigation system 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 for the whole irrigation system 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 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 and furthermore supported the Parks and Countryside service in acting as internal service provider to undertake the landscape development activity required to facilitate the successful delivery of the overall project.
- 5.2 This process included significant areas of cross over with the building construction process, including the formation of a rain water harvesting system that would support a bespoke horticultural irrigation systems that can facilitate the production of a significant variety of plants in very large quantities. Given the niche nature of the horticultural industry, there are only a few suppliers in the UK capable of providing an integrated irrigation and rainwater harvesting system.
- 5.3 Part of that system includes the establishment of an outdoor reservoir that stores water collected from the roof of the building and is then pumped back to the main internal irrigation system. In order to improve efficiency of production a design change has been proposed to move from clay lined storage area to a plastic lined area.
- 5.4 Due to efficiencies in installation, ongoing maintenance and whole system operational functionality it is proposed to approach the single company that is providing the whole irrigation and rainwater harvesting system to undertake this element in addition to other works that form part of the building construction element.

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*
 - CMW Horticulture Limited in the sum of £25'250 for the provision of bespoke horticultural machinery.

7 Background documents

- 7.1 None

