

Report of the Chief Environmental Services Officer

Outer North West Area Committee

Date: 9th November 2009

Subject: Streetscene Grounds Maintenance Future Procurement Strategy Update Report

<p>Electoral Wards Affected:</p> <p>City wide</p>	<p>Specific Implications For:</p> <p>Ethnic minorities <input type="checkbox"/></p> <p>Women <input type="checkbox"/></p> <p>Disabled people <input type="checkbox"/></p>	
<p>Council Function <input checked="" type="checkbox"/></p>	<p>Delegated Executive Function available for Call In <input type="checkbox"/></p>	<p>Delegated Executive Function not available for Call In Details set out in the report <input type="checkbox"/></p>

1.0 Purpose Of This Report

1.1 To provide Area Committees with an update on actions and progress on the procurement process for the provision of Grounds Maintenance from 1 March 2011 and to seek Area Committee views and input on the development of the specification and consultation process.

2.0 Background Information

- 2.1 Current arrangements with Glendale and ATM have now been extended to their maximum point that is to the end of February 2011. New arrangements are to be put into place from March 2011 and to this end a Project Team and Project Board meet on a regular basis to shape procurement arrangements for the implementation of a new contract from 1 March 2011.
- 2.2 The new procurement arrangements are aimed at taking into account the recommendations of the Environment and Community Scrutiny Board 2005 inquiry into previous arrangements.
- 2.3 In addition, relevant officers are attending the Environment & Neighbourhoods Scrutiny Board Working Group on the Grounds Maintenance Service.
- 2.4 The ALMOs are involved in all stages of the process and Members will be aware that recent ALMO inspection reports have featured numerous comments on Grounds Maintenance.

3.0 Procurement Strategy Approach

- 3.1 This procurement exercise is aimed at providing a mechanism to deliver a Grounds Maintenance service to the various 'clients' who are West North West Homes Ltd, Aire Valley Homes Ltd, East North East Homes Ltd, Belle Isle Tenant Management Organisation (BITMO) and also highways and transportation.
- 3.2 The input from customers within the client base is of high importance into the proposed procurement strategy and the consultation carried out thus far by the clients is covered in more detail later in this report.
- 3.3 A report outlining the overall position and procurement approach will be presented to Executive Board. The views of various stakeholders, including Area Committees, will be fed in to that report.
- 3.4 This procurement exercise will provide a contract that delivers the following grounds maintenance functions:-
- Amenity Grass in residential areas – this includes roadside verges, grass around sheltered accommodation, other areas, some of which are on Yorkshire in Bloom judging routes
 - Rough cut grass – this includes grass in urban or rural areas requiring less maintenance than amenity grass
 - Sight line Grass on highways – typically in rural areas at road junctions and bends and are cut as a road safety measure
 - Shrubs and Rose Beds at various sites within the City-
 - Primary Networks – typically grass verges and central reservations surrounding motorway and junctions, traffic sensitive dual carriageways

4.0 Implications For Council Policy And Governance

- 4.1 The project governance arrangements consist of a Project Team with a number of key tasks:-
- a) Development of a specification to use for tendering purposes
 - b) Construction of an appropriate and agreed pricing matrix and mechanism
 - c) Development of mapping of the location of sites included within the proposed contract
 - d) Development of a robust contract management and monitoring strategy
- 4.2 In achieving the above the Project Team will ensure the following:-
- a) That appropriate and adequate resources are made available from the various clients and service areas of the Council.
 - b) That clear and precise requirements should be included within the tender documentation in order to address the nature, scope and extent of contract specification requirements as referred to in 4.01
 - c) That bidding organisations will be required to demonstrate their ability to deliver the requirements and how these will be evaluated
 - d) That a robust contract management and monitoring framework is identified and implemented

- 4.3 The Project Team is made up of representatives of each of the ALMOs, BITMO, Highways Streetscene, Parks and Countryside, Procurement Unit and reports progress on a regular basis to the Project Board.
- 4.4 The Project Board meets on a monthly basis, is Chaired by the Chief Environmental Services Officer and has senior representation from the various clients plus other Council services including Strategic Landlord, Procurement Unit and Parks and Countryside.
- 4.5 The Project Board will approve actions at key stages of the procurement process.

5.0 Legal And Resource Implications

- 5.1 All parties (3 ALMOs, BITMO and Highways) have undertaken consultation with stakeholders with regards to the content of a future Grounds Maintenance service.
- 5.2 West North West Homes Ltd, Aire Valley Homes Ltd and East North East Homes Ltd representatives have advised that they have used the following mechanisms for consultation.
- Newsletter article
 - Residents and Tenants Groups
 - Sheltered Property Tenants
 - Stakeholder / Staff Focus Groups / Sounding Boards
 - Surveys undertaken
- 5.3 All ALMOs have also provided updates on the progress and consultation process to their SMTs and / or Boards.
- 5.4 Highways have also undertaken a thorough survey making use of the City Council's Citizen Panel.
- 5.5 The Project Team have carried out a large amount of work considering and reviewing the current contract specification. Details of this including the major changes from the current contract arrangements are shown below:-
- a) **Frequency of Cuts**
Frequency visits have been specified to 13 cuts per year to 25mm as the base specification, with the opportunity for clients to increase services at contract rates where required and assuming an appropriate notice period has been given.
- Amenity Cut**
- b) Amenity cut – was 50mm height, now reduced to 25mm for an enhanced cutting service city-wide.
- c) **Enhanced grass**
Enhanced grass 32 cuts have been removed and replaced with a more general standard, 13 cuts at 25mm, variable by clients with appropriate formal notice
- d) **Shrub Beds**
Horticultural training standard specified for shrub and rose bush teams

Shrub bed pruning and maintenance visits - frequency increased from 1 to 2 visits per year, and additional visits reduced from 3 to 2 visits.

- e) **Rough and Sight Line grass**
Frequency reduced from 3 cuts per year to one to 100mm cut, with option for additional cuts at contract rates as required. Rough grass (Linear) left at 3 cuts.
- f) **Hedges**
Scope of works defined in details and to be cut twice yearly in May and September.
- g) **In Bloom areas**
Frequency of cuts to be varied to accommodate In Bloom areas judging calendars - previously delivered by a separate contract. This work to be at standard amenity grass contract rates.
- h) **Primary networks (formerly motorway junctions in separate contract)**
To be included and frequency reduced from 8 to 4 cuts, with option for clients to increase. This section now includes certain high speed roads which were formerly mapped as amenity grass (examples being Stanningley Bypass, Weetwood Ring Road, A63 Selby Road).

The above reflects the base standards agreed by the clients and has been shared with customers in some focus events, as an example a focus event in June 2009 with Aire Valley Homes. Where possible the opportunity to maximise the scope for flexibility and incorporation of local needs into the specification will be implemented as well as addressing feedback from ALMO Audit Commission Inspections.

5.6 **Approach to pricing of cut frequency**

Agreement has been reached by the 4 clients that the base specification around the number of cuts should be as outlined in a) to h) in 6.02 above. So in terms of the tenderers pricing the requirements it is proposed that this will be for 13 cuts to 25mm for Amenity and Enhanced grass, as an example.

However, in the tender process we can take the opportunity for bidders to also price for a specification requiring 14 and 15 cuts and for the collection of arising / clippings. By doing this then the Council and clients (ALMOs and Highways) will be in possession of all available opportunities / options prior to the evaluation of submissions.

5.7 **Current Provider consultation process**

Both current providers (Glendale and ATM) are to be contacted in order to obtain feedback from them in terms of what works well and potentially what are the areas for improvement or what lessons can be learned. The results will then be considered in the development of the new procurement arrangements. This task will be undertaken in early October 2009.

5.8 **Market Testing Event**

As part of the Procurement Strategy and pre procurement process the Project Team is also undertaking a soft market testing exercise in order to test and verify adequate interest within the market sector to deliver the outline proposals of the ALMOs and Highways in regards to the proposed Grounds Maintenance service.

This process will also obtain an indicative costs based on the level of service that can be used as a pre contract estimate. This work is planned to be carried out in the month of October 2009.

5.9 Mapping review of sites

As part of the arrangements for the new procurement all clients including the ALMOs and Highways have and continue to made a concerted effort through redirection of available resources in order to ensure that the data that is used to map site locations within the tender documentation is as current as possible in order to provide bidders with a comprehensive pricing document.

This will allow for potential bidders to submit as accurate as possible tendered price for evaluation purposes and also aspire to minimise the scope for site variations in and out at the contract. It should however be noted that is unlikely to be 100% at all times and the need to vary matters will be required, but in such cases a mechanisms will be agreed to manage the incorporation of any new site locations.

5.10 Contract Management and Monitoring Process

Consideration is being given to how this process is carried out and structured within the new procurement arrangements. The key essential is that all parties / clients to the contract are able to undertake this role in a common and consistent manner providing confidence that in the event of being required to deal with any allegations of unsatisfactory performance matters that an appropriate structure and process is in place to address matters consistently and with the appropriate supporting audit trail should it be necessary.

6.0 Procurement timetable- key dates

6.1 The key dates/stages can be summarised as follows:

- By end October 2009 – Project Board approval of strategy and chosen option
- November 2009 – February 2010 – preparation of tender documentation
- November 2009 – formal procurement process starts with OJEU published
- November 2009 – end January 2010 – pre qualification questionnaire process concluded leading to tender shortlist
- March 2010 - Project Board approval to tender shortlist and tender documentation
- April 2010 – Tenders invited from shortlist of companies.
- April 2010 – early September 2010 – Tenders submissions received and detailed evaluation process undertaken on price, affordability and qualitative factors including site visits.
- September 2010 – Project Board approval of tender evaluation process.
- October 2010 – Contract Award, lead in TUPE etc
- November 2010 – March 2011 – Contract Mobilisation process

7.0 Recommendations

7.1 Area Committees are asked to note the content of this report.

7.2 Area Committees are invited to provide comments on the outline proposals particularly around the development of specification and the consultation process undertaken by the clients.

Background Papers: None