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Report of the Director of Environment and Neighbourhoods

Scrutiny Board (Environment and Neighbourhoods)

Date: 19th April 2010

Subject: Procurement of the Grounds Maintenance Contract for 2011 – Formal Response to the Scrutiny Boards Interim Statement

Electoral Wards Affected:



Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 Introduction

- 1.1 In January 2010 the Scrutiny Board produced an interim statement setting out its recommendations in relation to the procurement of the new grounds maintenance contract. Recommendation 6ii requested details of the analysis carried out by the Grounds Maintenance Project Team in relation to the benefits and limitations of an output specification for the new contract.
- 1.2 This report summaries the discussion that took place resulting in the decision to recommend an input based specification.

2.0 Background

- 2.1 The current grounds maintenance contract has an input based specification which suites the current needs of the four clients and satisfies the expectations of stakeholders in terms of being provided with details of scheduled service delivery. The current contractor has suggested that some of the contract issues experienced in the early years of the contract may have been avoided had the specification been output based although in recent years the delivery of an output based specification may have created problems due to uncharacteristic weather conditions during the grass cutting season. As part of the contract procurement work the Grounds Maintenance Project Team were tasked with considering the benefits and limitations of both input and output specifications.
- 2.2 The views from other authorities appeared to be mixed and the choice of specification was what was right for the needs of the individual authority.

2.3 The guidance from the office of Government Commerce regarding output based specifications states,

‘Output based specification needs to be actively (and ideally pro-actively) monitored and managed to ensure adherence to committed service levels and service payment streams.....effective service management involves both parties performing their obligations and duties, on time and in accordance with the contract’.

‘There must be good data collection, reporting and monitoring arrangements in place for each service elements provided’.

2.4 The project team considered the following issues to determine the approach for the new contract.

1. ALMO tenants want the confidence of receiving a scheduled service i.e., knowing when the grass will be cut and how often.
2. ALMOs have encouraged tenant involvement in the monitoring of the ground maintenance service which requires schedules of work.
3. LCC appear to be more comfortable with an input approach to the grounds maintenance service so that everyone knows when and how often the service will be provided.
4. During the current contract Parish Council’s have regularly requested from Environmental Services, details of grass cutting schedules so that they can monitor the service and arrange for volunteers to be available to carry out the monitoring.
5. Monitoring of ground maintenance services on ALMO land has been inconsistent over the life of this contract. The main issue appears to be that none of the ALMOs have dedicated monitoring resources. Any future monitoring regime will need to be delivered with similar resource.
6. Advice from colleagues within Parks and Countryside supports the view that an input based ground maintenance specification is more easily managed and monitored than an output specification.
7. The geographical size of Leeds and the range of ground maintenance activities makes it a difficult contract to monitor other than on a random sample bigger than 10%. An output based specification would ideally require a larger sample.
8. Uncharacteristic climate conditions can make an output specification difficult to deliver. For example, a prolonged wet/warm period during the summer will encourage prolonged grass growth that will have an impact on resource requirements. A contractor may be inclined to reduce service delivery under these conditions rather than incur additional expenditure.
9. An output specification may encourage a contractor to risk price which is likely with a contract of this size and diversity.
10. Output specifications are not conducive to encouraging area based service delivery. As resources are reduced during the low part of the cutting season, they need to be spread wider.
11. The current contract arrangement allows the clients to have some influence over the contractors resource such as staffing levels and resource allocation by ensuring that services are delivered within a specified timescale. An output specification would focus on outputs and potentially remove some of this client influence.

3.0 Summary

3.1 Having considered the above, the Project Team concluded that the new grounds maintenance contract should have an input based specification for the following reasons,

- An output based specification is potentially more difficult to manage and monitor and consequently will increase the overall monitoring costs.
- An output specification may encourage a contractor to risk price for every eventuality allowing little contract management flexibility and increasing cost.
- Public confidence would be adversely affected if the Council was not able to provide clear schedules for grass cutting and other maintenance services.
- Monitoring by stakeholders such as Parish and Town Councils would be more complicated with an output specification

Grounds Maintenance Specification Output Vs Input Specification

	OUTPUT	INPUT
Stakeholder requires confidence provided by having scheduled service	no	yes
ALMO tenants and Parish Councils have requested details of cut schedules to allow monitoring and assess contractor performance	no	yes
Contractor self monitoring	no	no
Monitoring to be delivered within current budgeted cost	no	possible
Monitoring to be carried out within current resource levels	no	possible
Contract monitoring more involved and complicated	yes	no
Client influence over contractors use of resources	limited	yes
Risk pricing (transfer of risk from client to contractor)	yes	no
Localised delivery of grounds maintenance services (NB output spec – contractor is more likely to deploy resources where they are needed rather than concentrate them in an area)	unlikely	likely
Increased contract administration (eg Contract risk plan, contract improvement plan etc)	yes	no
Affordability	no	yes
Clarity regarding the work to be carried out to specification (NB output spec focuses on outcome not how it is achieved)	no	yes