



Report of: Chief Environment Services Officer

Report to: All Area Committees

Date: 28th October 2010

Subject: GROUNDS MAINTENANCE UPDATE REPORT

<p>Electoral Wards Affected:</p> <p>ALL</p> <p><input type="checkbox"/> Ward Members consulted (referred to in report)</p>	<p>Specific Implications For:</p> <p>Equality and Diversity <input type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <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>

Executive Summary

In July 2010 the Council's Executive Board gave approval for the procurement of a new grounds maintenance contract with a revised start date from 1st March 2011 to 1st January 2012. A draft specification has now been prepared incorporating feedback from ALMO tenants, Highways and Transportation services and the Area Committees.

Engaging with the Parish and Town Council's has also been raised as an issue through Area Committees and the Grounds Maintenance Scrutiny Inquiry carried out between August and December 2009. The revised procurement timetable reflects the process to engage with Parish and Town Council's.

It is recommended that the contents of the report are noted.

1.0 Purpose Of This Report

- 1.1 To advise members of the progress to date with the procurement of a new grounds maintenance contract to start 1/1/2012.
- 1.2 To advise members of the revision to the contract start date from 01/03/2011 to 01/01/2012.
- 1.3 To advise members of several key issues that have emerged to date that have influenced the approach taken to the procurement and shape of the contract.

2.0 Background Information

- 2.1 The Grounds Maintenance procurement strategy is currently being overseen by a Grounds Maintenance Programme Board chaired by the Chief Environmental Services Officer, and made up of the Chief Executive Officers from the three ALMOs and BITMO, the Highways Asset Manager for Highways and Transportation along with other key stakeholders including Strategic Landlord, Procurement Unit and Parks and Countryside. The Programme Board is supported by a project team made up of representatives from the four clients, procurement, environmental services and parks and countryside.
- 2.2 Looking forward, the proposals to monitor the performance of the appointed contractor will also seek to engage and actively involve the various clients so that they can feedback to their various stakeholder groups in a positive way and reflect that their interests are being represented and upheld. ALMO tenants and Town and Parish Council representatives will be encouraged to have a far greater role in the monitoring of the grounds maintenance services.
- 2.3 In overall terms the new contract will deliver the following grounds maintenance functions:
- Amenity grass in residential areas including roadside verges, grass around sheltered areas and other areas some of which are on “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 – this is particularly in rural areas and at road junctions and bends, and is cut to maintain road safety standards.
 - Shrub and rose beds at various sites within the city.
 - Primary networks – typically grass verges and central reservations surrounding motorway and other key junctions.
 - Hedge maintenance

3.0 Main Issues

Progress to Date

- 3.1 The procurement strategy approach adopted to date has sought to engage and incorporate the views of the various clients whilst at the same time promoting a consistent approach to grounds maintenance across the city.
- 3.2 Below is the summary of the consultation work carried out by the clients which has been used to develop the contract specification and the contract structure

4. Consultation Arrangements and Feedback

- 4.1 As part of the procurement process the four clients have undertaken a range of customer consultation activities. These are summarized below with key findings:

4.2 ALMO and BITMO Boards

Consultation has taken place with customers through a variety of methods including newsletter articles, attendance at Resident and Tenant Group meetings, satisfaction surveys and a number of focus groups.

The issues that have been raised through the consultation process have been considered by the Project Team and include:

- Clarity on how customers could report problems
- Feedback when complaints are received
- Effective action when complaints are received
- Publish 'Service Standards' that are easy to obtain and understand
- Mapping of all sites needs to be up to date
- Monitoring needs to be consistent
- Financial penalties need to be imposed on the contractor
- Modern and suitable equipment needs to be used
- Litter picking needs to be undertaken prior to grass cutting

4.3 **Area Committees**

A report was presented to all ten Area Committees in September/October 2009 and in summary identified five key issues.

(i) Mapping of Sites

The current Grounds Maintenance mapping database has been developed over the life of this contract and now accurately records the areas of land assigned to the individual ALMOs and Highway and Transportation Services that they have authorised to be serviced. Land will only be varied in or out of the contract with the approval of the appropriate client. Current systems allow the contract monitoring team to determine whether any other identified areas of land are in Council or private ownership and will ensure that the mapping database used for the new contract is up to date.

Where land is in private ownership every effort is made to identify the owner and encourage them to maintain the land. Where ownership is not clear and more work will be done to ensure that the mapping database is as up to date as possible and maintained throughout the life of the next contract.

(ii) Contract Specification

A number of issues were raised including the possibility of collecting grass cuttings, the ability to vary the number of cuts in certain areas, the removal of cuttings from highways and footways after works have been carried out. The soft market testing exercise carried out in 2009 suggested that this option would significantly increase unit rates. Contractors that responded have indicated that grass collection would be approximately 33% more expensive.

(iii) Contract Structure

The report to Area Committees recommended that one city wide integrated contract represents the opportunity to get best value. In the main this was agreed to but some comments were made on the role of Town and Parish Councils. The agreed contract structure will provide Parish and Town Councils with an opportunity to tender for the grounds maintenance work in their areas.

(iv) Contract Monitoring

Various comments were made including the need to ensure more consistent monitoring and the deduction of payment for unsatisfactory or uncompleted work. A more robust and consistent contract monitoring procedure is being developed for the new contract.

(v) Contract Mobilisation

A general desire to ensure a longer lead in period than was allowed for the current contract. The revised procurement timetables allows for a mobilisation period of 17-20 weeks

4.4 Leeds Citizens' Panel

1,000 members of Leeds Citizen's Panel were consulted by Highways and Transportation to gather views from a range of residents in relation to grounds maintenance and grass cutting across Leeds. Questions were asked about the quality and frequency of services. 542 responses were received. The key areas for consideration from the consultation and the actions taken in preparation for the new contract are as follows:

	Summary	Response:
i	Consider clearing of footpaths after work has been done and/or collecting grass clippings.	The revised contract will test the market capability and the impact on affordability of collecting grass clippings during the mowing operation. The value of this operation will be assessed during contract evaluation.
ii	Verges adjacent to rural roads require more attention.	The grass verges of rural roads have been reviewed and remapped. The revised contract will include the trimming of a minimum 1m wide verge on all rural roads
iii	Overall respondents disagreed to an increase in Council Tax to provide an enhanced service	This suggests that respondents recognise the financial implications of improving the service and value for money will continue to be a key consideration during the tender process.

The feedback from the consultation process to date has been used to influence the contract specification and contract structure.

5 Environment and Neighbourhoods Scrutiny Board

- 5.1 Between August and December 2009 the Environment and Neighbourhoods Scrutiny Board carried out a review of the procurement process currently being followed and a report outlining the Board's recommendations along with the response of the Executive Board Member for Environmental was presented to Executive Board on the 10/03/2010.
- 5.2 Although the inquiry raised similar issues to those identified in the client consultation, it also concentrated on the approach that the Council will take to 'orphan sites' in the new contract. Orphan sites are those where ownership within or outside the Council can not easily be determined. In the majority of cases these sites impact on the visual amenity of an area and it is in the public interest to maintain them.
- 5.3 Orphan sites continue to be identified as the grounds maintenance database is improved, however the addition of such sites to the schedule of works within the Grounds Maintenance Contract continues to provide additional financial pressure to

the clients. As the maintenance of these areas is within the public interest it is proposed that these are corporately funded and added to the database

- 5.4 In considering the way forward for the service consideration has been given to the options of either a traditional 'input' based specification where works and frequencies are clearly specified or an 'output' based specification where less prescription is given and more emphasis is placed on desired outcomes – e.g. 'maintain all grassed areas to a certain standard throughout the growing season' with no reference to numbers of cuts to be carried out in a given period or frequency. An 'input' based specification is the strongly recommended option as this gives far greater certainty as to the works being carried out and when and also enables far greater clarity from a contractor performance management and payment perspective.

6. Contract Duration

- 6.1 The current contract was originally let as a three year contract with the option to extend by an additional three years in one year increments. The soft market testing exercise carried out in 2009 suggests a longer term contract with the ability to extend again by one year increments provides the potential to receive lower unit cost quotes and therefore better value in the long term. It is recommended that a five year contract package be advertised with the opportunity to extend for a further five years in 1 year increments.

7. Contract Structure

- 7.1 As part of the current procurement exercise an option appraisal process was carried out to assess the contract packages available to deliver the grounds maintenance services from 01/03/2011. Two option appraisal workshops were held, facilitated by the Corporate Risk Management team; representatives from the four main clients were involved in the workshops along with representatives from Parks and Countryside, the procurement unit and Environmental Services.
- 7.2 The outcome of the workshops was to recommend the procurement of a city wide contract covering all aspects of grounds maintenance being delivered by one contractor across the city. This was felt to represent not only the most cost effective approach to providing grounds maintenance services but also the one that gives the greatest clarity and accountability in terms of performance from a contractor perspective and ease and ability of monitoring from a client/stakeholder perspective. It is anticipated that there will be strong interest in such a contract. The most recent information regarding interest from the market is the result of the soft market testing done at the end of last year. Fourteen companies returned the documentation, out of which we assessed nine to be capable of delivering a contract of this size.

8. Revised Procurement Timetable

- 8.1 The current contract ends on 28/02/2011 however concern has been raised about the risks associated with having a new contract starting on the same day as the start of the grass cutting season.
- 8.2 In view of this, it is proposed to extend the current contract until 31/12/2011 with the contract award date around August 2011. This will allow a generous mobilisation period and a contractor handover at a point in the horticultural calendar when maintenance activity is reduced. The new contractor will have the opportunity to become established and fully resourced to start the grass cutting season on 01/03/2012.

8.3 The key dates and stages of the revised procurement timetable can be summarised as follows:

- Sept 2010 - seek confirmation of Parish & Town Council's involvement
- Oct 2010 - evaluation of returns
- Oct/Nov - report findings to Programme Board
- Dec 2010 - publication of OJEU (Official Journal of the European Union) advert inviting expressions of interest
- Late January 2011 - return of completed PQQs (Pre Qualification Questionnaire) documentation
- February 2011 - PQQ evaluation
- March 2011 - tenders invited
- June 2011 - tenders returned
- June/July 2011 - tender evaluation
- August 2011- contract award
- 1st January 2012 - contract start

This approach allows a mobilisation period of 17-20 weeks and for any other contract handover issues (such as T.U.P.E) to be resolved before the start of the grass cutting season.

9. Parish and Town Councils

- 9.1 Throughout the life of the current contract a small number of Town and Parish Councils have expressed interest in becoming more closely involved in the delivery of grounds maintenance services within their areas. In response to the report to Area Committees (September 2009) and as part of the Environments and Neighbourhoods Scrutiny review this issue has again been raised as to the practicality of allowing local council areas to be identified as separate areas of land that would then give interested Town and Parish Councils the ability to bid to carry out works within their area.
- 9.2 Although the initial option appraisal exercise recommended a city wide contract, subsequent consultation with Parish and Town Councils and Area Committees has suggested that Parish and Town Councils should have the opportunity to bid for grounds maintenance work within their areas.
- 9.3 At its meeting on 22/07/2010 the Executive Board agreed to the recommendation to advertise the Grounds Maintenance contract on the basis of a city wide contract with the option to allow Parish and Town Councils to tender for work within their areas.
- 9.4 To progress this issue all parish and Town Councils were written to on the 02/08/2010 asking them to confirm their expression of interest to be included in the provision of grounds maintenance services. Within the letter two options were offered
- (i) Parish and Town Councils to be given the opportunity to be involved in the competitive process and formally bid for the provision of grounds maintenance services within their areas
 - (ii) For Local Councils that do not wish to be involved in the competitive process, have the opportunity to be part of the formal monitoring process

The closing date for expressions of interest was 13/08/10 although this has now been extended to 13/09/10 to allow local councils to have the decision approved through their formal processes.

11 responses have been received from Parish and Town Councils, 10 of which have identified option 2 as the preferred option and two have identified option 1 (2 Parish Councils have identified option 1 and 2)

9.5 The next stage of the process is give a formal presentation to those Parish and Town Councils that have registered and interest. The presentation has been arranged for Wednesday 22/09/10 and will cover options 1 and 2 in more detail covering the tendering process, tender specification and monitoring procedure. It will also provide local council representatives an opportunity to ask questions and fully understand the options.

10. Contract Monitoring and Administration

10.1 Over the life of the current contract, monitoring and administration arrangements have improved through the commitment of the various clients. And it has been agreed that contract monitoring arrangements for the new contract need to build on the good work already done to ensure a consistent approach that holds the successful contractor to account and achieves the standards of service that is required. In response to the consultation exercises mentioned above, there is also a strong desire to look at how key stakeholders such as ALMO/BITMO tenants and representatives from interested Town and Parish Councils can contribute to the contract monitoring and contractor feedback arrangements.

10.2 New contract monitoring arrangements are being developed that will involve a team approach with all Clients taking part in monitoring to ensure that they can see at first hand the performance levels in their area. Staff carrying out monitoring activities will then take part in regular meetings with the contractor where performance is discussed and payment authorised. Staff from Environmental Services will organise the overall structure of meetings and also undertake the monitoring on behalf of Highways and Transportation. ALMOs and BITMO will also be working with groups in their areas to provide and receive feedback on contractor performance.

11. The Executive Board Report July 2010

11.1 A report was prepared for the Council's Executive Board seeking approval to progress with the procurement of a new grounds maintenance contract. The report presented on 22/07/2010 made five recommendations all of which were approved,

- i. The contract administration and monitoring arrangements as set out in the report.
- ii. That the contract be advertised on the basis of one, single city-wide contract with the option to require a variant bid to allow interested Parish or Town Councils to tender for work within their areas..
- iii. That a contract be advertised for five years with the option to extend for up to a further five years.
- iv. That Executive Board agree to extending the contract with Glendale and ATM until 31/12/2011 subject to the issue of a transparency notice.
- v. That a contingency sum of £60K in year 1 (financial year 2012/2013), £20K year 2 onwards, be allocated to enable any future orphan sites identified to be properly maintained.

12.0 Implications for Council Policy and Governance

The procurement of the new contract is being delivered using the Councils Delivering Successful Change methodology and is overseen by a Grounds maintenance Programme Board.

13.0 Legal and Resource Implications

Resources to progress the procurement of the new contract have been provided by the four clients with support from Environment and Neighbourhoods and Procurement'.

14.0 Conclusions

The progress to date with the procurement of a new grounds maintenance contract is on schedule with the procurement timetable to have a new contract in place starting on 1st January 2012.

15.0 Recommendations

15.1 Members to note the contents of this report

Background Papers: None