

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

26 February 2013

**Report of the Chief Leisure Officer and the
Cabinet Member for Leisure, Youth and Arts**

Part 1- Public

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken
by the Cabinet Member)**

1 GROUND MAINTENANCE RETENDER

Summary

This report seeks Member approval of key issues relating to the retender of the Council's Grounds Maintenance Contract including proposed levels of service and some efficiency options.

1.1 Background

1.1.1 The current Grounds Maintenance Contract is delivered by Kent County Council Landscape Services and is due to expire on the 31 December 2014. The retender of the contract was approved (Decision D120112MEM) following consideration by the Leisure & Arts Advisory Board on 17 September 2012.

1.2 Introduction

1.2.1 A review of the current contract has been undertaken in liaison with a number of key stakeholders. This report reviews the proposed type of contract, contract length and levels of service. Opportunities have also been identified for potential efficiencies in the specification, but with a keen eye on maintaining a quality service. Consequently, in reviewing the detailed contract specification consideration has been given to the Council's overall financial position, whilst acknowledging the corporate priority of achieving a clean, smart, well maintained and sustainable borough

1.3 Consultation

1.3.1 Consultation has been undertaken in order to assist with the review of the contract. Comments have been sought from the following which has informed the approach that is adopted in this report.

- Borough Council Members
- Legal Services

- Environmental Health
- Other Kent Local Authorities
- Tonbridge Sports Association
- KCC Landscape Services and the other ground maintenance contractors that tendered for the contract in 2007.

1.4 Type of Contract

- 1.4.1 Consideration has been given to the type of contract specification to be used and the relative benefits of each; these being frequency (ie cut the grass on 18 occasions per year) and performance (ie maintain the grass at a level no higher than 75mm). Feedback from contractors has highlighted concerns that using a solely performance related specification could create uncertainty for the contractor and could lead to a higher contract price. It is noted, however, that there may be benefits to a performance specification in relation to specialised areas of maintenance such as fine turf and sports pitches. Comments were received from contractors and local authorities suggesting that frequency based contracts remove ambiguity, therefore, tender evaluation can be carried out more confidently.
- 1.4.2 Following consultation it is suggested that a contract combining both types of specification would be appropriate and offer a balanced approach. Whilst a predominately frequency based contract would be specified, the opportunity will also be taken to utilise performance related elements where appropriate. This hybrid approach has been adopted by four out of the five local authorities that returned comments, and is similar to the approach adopted in the Council's current grounds maintenance contract, which has served us well to date.

1.5 Length of Contract

- 1.5.1 The Council's current contract is for a 5 plus 2 year period. The consultation highlighted a range from 5 to 15 years across other Kent authorities. Comments received suggested that a minimum of 5 years should be applied and caution was expressed to single contract periods over 10 years. Contractors commented that it would be beneficial if contract duration could be related to the average life of larger front line machinery (five to seven years). It is, therefore, proposed that a 5 plus 5 year contract be considered for the new contract.

1.6 Levels of Service

- 1.6.1 The current specification has been scrutinised to identify potential areas of efficiency saving. It is recognised, however, that the current specification is already considered to be tightly drawn and standards of service to the general public and users need to be maintained in order to avoid reputational damage and

to ensure a practical, as well as visually acceptable approach. A summary of the current contract specification is shown at **[Annex 1]**.

- 1.6.2 Whilst some elements of the current contract specification may be standardised, such as pitch maintenance, others do offer opportunities for a different specification. A list of proposed amendments and efficiencies is shown at **[Annex 2]** and, based on the current contract Bills of Quantities, offers a potential saving of £46,000 per annum. In summary the potential changes in levels of service predominately relate to changes in the frequency of grass cutting of general public open spaces and it is not perceived that they will have a significant impact on visual quality. They also do not impact on the quality and standard of maintenance of specialist areas such sport pitches. The proposals also aim to introduce more flexibility to the contractor in regard to the selection of machinery with an aim to reduce costs.
- 1.6.3 In addition to the above, the opportunity has been considered to deliver some works that are within the current specification through enhanced in-house resourcing to achieve some practical and financial efficiencies. These works could include the inspection of children's play areas and life buoys, the inspection and maintenance of young trees and the maintenance of fences, benches, gates, signs and notices. Based on current contract costs, it is estimated that an additional £20,000 saving could be achieved. However, it is acknowledged that caution needs to be applied when committing to additional staffing costs, based on perceived future savings. It is, therefore, proposed that these works be included within the new contract specification as a discrete option that will then offer the Council the flexibility to assess the viability of bringing the works in-house based on real costs.

1.7 Legal Implications

- 1.7.1 In liaison with Legal Services, consideration is being given to the new Public Services (Social Value) Act 2012 that will apply to the Grounds Maintenance Contract. The Act requires the Council to consider how the procurement process and documentation can assist in providing additional social, economic and environmental benefits. Consultation with Legal Services will continue throughout the procurement process to ensure compliance.
- 1.7.2 The contract will be processed with the assistance of Dartford Borough Council. This partnership approach has worked well on a number of recent contracts.

1.8 Financial and Value for Money Considerations

- 1.8.1 The current annual cost of the contract is £590,000 which is currently judged to be good value for money assessed through the previous tender process.
- 1.8.2 Consultation with Finance Services has been undertaken in regard to future indexation of the contract. Currently the contract is increased by RPI on an annual basis and it is proposed that the new contract be subject to an annual CPI

increase. It is acknowledged that contractors may take this into consideration when pricing the tender, however, on balance a move to the Governments preferred index of CPI is proposed.

1.9 Risk Assessment

1.9.1 Liaison will continue with Legal Services to ensure compliance with appropriate regulations.

1.10 Equality Impact Assessment

1.10.1 See 'Screening for equality impacts' table at end of report.

1.11 Policy Considerations

1.11.1 Asset Management, Health and Safety and Procurement.

1.12 Recommendations

1.12.1 It is, therefore, **RECOMMENDED** to Cabinet that when retendering the Council's Grounds Maintenance Contract:

- 1) the contract be predominantly frequency based though opportunities be taken to utilise performance related elements where appropriate;
- 2) the contract length be 5 years with the option to extend for a further 5 year period subject to satisfactory performance by the contractor;
- 3) the levels of service remain the same as the current contract specification with the exception of the amendments shown at **[Annex 2]**;
- 4) it is proposed that the new contract be subject to an annual CPI increase; and
- 5) options be investigated to provide the flexibility to allow the Council to bring identified works in-house as highlighted at 1.6.3 above and subject to a future financial appraisal.

The Chief Leisure Officer confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Darren Lanes

Nil

Robert Styles
Chief Leisure Officer

Maria Heslop
Cabinet Member for Leisure, Youth and Arts

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	The continued maintenance of public open spaces provides access, recreation and visual amenity for all.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	The continued maintenance of public open spaces provides access, recreation and visual amenity for all.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	N/a	N/a

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.