

MUNICIPAL YEAR 2008/2009 REPORT NO. 142

MEETING TITLE AND DATE:

Cabinet
26 November 2008

REPORT OF:

Director of Environment &
Street Scene

Agenda – Part: 1**Item: 7****Subject: Corporate Grounds Maintenance and Landscaping Contract and Housing Grounds Maintenance and Landscaping Contract****Wards: ALL WARDS****Cabinet Members consulted:**

Councillor Terence Neville and Councillor
Matthew Laban

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1. EXECUTIVE SUMMARY

This report details the evaluation exercise in regard to the Corporate Grounds Maintenance and Landscaping Contract and Housing Grounds Maintenance and Landscaping Contract, originally advertised in May 2007 and recommends the award of both Grounds Maintenance Contracts to commence on the 5th January 2009 for a period of three years, with a possible extension of two single additional years.

2. RECOMMENDATIONS

- 2.1 Members confirm their decision to increase the number of grass cuts from eleven to twenty per annum.
- 2.2 That Cabinet notes and approves the award of the Corporate Grounds Maintenance and Landscaping Contract and Housing Grounds Maintenance and Landscaping Contract (G/MD329 and G/MD332 respectively) to Enterprise MRS to commence on 5th January 2009 for a three-year term with a possible two single year extensions.
- 2.3 To seek further approval for an additional maintenance visit for shrub beds/hedgerows.
- 2.4 To note that the details of the evaluation exercise are contained in part 2 of this report on this agenda.

3. BACKGROUND

- 3.1 A single Contractor is currently delivering the Highway and Housing Ground Maintenance Contracts for revenue and capital works, on behalf of the London Borough of Enfield.
- 3.2 The current tender process followed the same principles to ensure that the Council achieves value for money through the economy of awarding the two contracts to the same contractor but also to ensure a constant standard of service delivery across both contracts.
- 3.3 The contract let is as follows;
- Highway Ground Maintenance Works – This will now change to a Corporate Ground Maintenance and Landscaping Contract, which will include all Highway Grounds Maintenance works, and could also include all of the London Borough of Enfield corporate buildings (Provisional).
 - Housing Ground Maintenance Works – This will be managed by the Councils Arms Length Management Organisation (Enfield Homes) and will include all the Housing areas in the borough.
- 3.4 The existing Contract commenced on 1 July 2004 for an initial 3 year period, and had a clause allowing the contract to be extended for up to an additional 24 months.
- 3.5 The existing contract was granted approval to be extended to December 2008. This extension has enabled the completion of the tender documents and the tender process in accordance with Council's Contract Procedure Rules. All tender evaluations and interviews have been completed. Please see part 2 of this report for the evaluation details.
- 3.6 The new contract was developed for the services detailed below, commencing in January 2009 subject to satisfying Transfer of Undertaking (Protection of Employment) Regulations (TUPE) if required and EU tendering timetables.

<ul style="list-style-type: none">▪ Reactive Grounds Maintenance Works▪ Routine Grounds Maintenance Works for Grass Cutting	<ul style="list-style-type: none">▪ Routine Grounds Maintenance Works for Shrubs verges/shrub beds▪ Routine Maintenance Works for Hedge/Hedgerows▪ Programmed Projects
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- 3.7 The above services are to run simultaneously for both Corporate and Housing Grounds Maintenance Contracts.

- 3.8 For the Corporate Grounds Maintenance Contract, the services will be for all Principal Roads, Classified Roads, District Roads, Public Footpaths/Cycle ways, Amenity Spaces, Public Car Parks and a Provision for Corporate Buildings.
- 3.9 For the Housing Grounds Maintenance Contract the services will operate on all Housing Estates in the Borough and the contract will be managed by Enfield Homes.
- 3.10 In May 2007 an OJEU notice was published for expressions of interest for both Grounds Maintenance Works Contracts incorporating the above services. Twenty three companies expressed an interest and were sent Pre Qualification Questionnaires. Of the original twenty three expressions of interest only ten companies returned completed questionnaires.
- 3.11 On evaluation of the submitted questionnaires seven companies were selected for the short list to Tender for the contract. Tender documents were issued to all companies on the short list in January 2008. Completed tenders were returned by noon on the 12th March 2008.
- 3.12 During the tender process one company retracted from the process, one company did not return the tender by the return date, therefore on the return date, from the original seven companies invited to tender, only five companies had returned their completed tender documents.
- 3.13 In accordance with guidance from the Office of the Deputy Prime Minister and Enfield's Constitution this contract has been tendered and evaluated on the basis of most economically advantageous (offering Best Value) and not lowest price. This was based on a 60/40 Quality/Price ratio.
- 3.14 The tender documentation consisted of two parts, namely the completed Quality (and Technical Merit) Submission – Envelope A and the Price List Submission (Tender Document) – Envelope B.
- 3.15 A panel of ten people was selected of representatives from the Highway Grounds Maintenance Section, and representatives from the Enfield Homes, which included officers, resident representation from the Federation of Enfield Community Association (FECA) Ltd, a representative from Sheltered Housing and a representative from Enfield Homes leasehold panel to carry out contractors site visits and contractors Interviews.
- 3.16 The tender evaluation consisted of two parts. The completed Quality and Technical Merit Submission that had a total of 60 marks, and the Price List Submission that had a total of 40 marks.
- 3.17 As part of the Quality and Technical Merit submissions for both contracts, the evaluation panel carried out contractors site visits during

April 2008 and May 2008. These site visits contributed to part of the marks available for the Quality and Technical Merit submissions. The site visits included the viewing of the quality of the grass cut, shrub maintenance, quality of contractors depot, health and safety, IT systems and the way the contractor monitors and reports information back to the client.

- 3.18 Also as part of the Quality and Technical Merit submissions for both contracts, the evaluation panel conducted contractor interviews, which were carried out on 5th, 9th, 10th and 11th June 2008. These interviews contributed to part of the marks available for the Quality and Technical Merit submissions. The results of the interview process are detailed in part 2 of this report.
- 3.19 The areas that were assessed under the quality and technical submission for both contracts were General Requirements, Staff Transfer and Training arrangements, Reactive Maintenance, Routine Maintenance and Programmed Projects.
- 3.20 The financial assessments were undertaken in three separate stages. Each area had an evaluation model developed to reflect the delivery of Reactive Maintenance, Routine Maintenance and the current services delivery for Programmed Projects.
- 3.21 The criteria for the evaluation of tenders was stated under Item 17 (Evaluation of Tenders) in the Instructions for Tendering that were sent out as part of the Contract Documents prior to the tender period.
- 3.22 Following consultation with Members, the specification was increased from eleven cuts per year to twenty, and therefore the contract is based on 20 number grass cuts and 2 number shrub bed and hedge maintenance visits. Further more, the tenderers were required to price for both 3 & 4 visits to highway shrub beds and hedges. It is recommended that a 3rd shrub bed and hedge maintenance visits be considered.
- 3.23 The consideration for the additional shrub bed and hedge maintenance visit are:
- The increase in resident satisfaction levels
 - Increase council presence in the areas
 - Reduce the incidence of litter accumulation
 - Enhancement of the environment
 - The visit is not only a prune but to provide additional weed control.
 - Cut down resident calls for footpath and carriageway encroachment.
- 3.24 Although officers undertook a full review of both the specification and actual areas of work to attempt to mitigate any increased cost of the contract due to the increase in the numbers of cuts, this has only been

partially successful. Throughout the lengthy tendering exercise officers gathered detailed information on the Highway Grounds Maintenance assets and this enabled more accurate data to be included within the tender documents, i.e. areas of grass, shrub beds etc. The detailed tender specification also incorporates the edging of grass areas, the strimming of grass hedgelines and minor repair works to verge areas as a standard function rather than an extra over-item.

- 3.25 Members are therefore requested to confirm their original request for the higher specification for grass cutting and agree an additional maintenance visits to highway shrub beds and hedges.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 At present the existing contract is operating to an enhanced grass cutting specification, as requested by members, of twenty cuts a year. An alternative option to consider, which might produce a cheaper cost would be to refer back to the previous specification of eleven cuts a year. This would have considerable implications as reducing the specification will cause dissatisfaction to the borough's residents and businesses who have become use to the higher standard. At the moment the enhanced service has considerably reduced customer complaints, and increased customer/resident satisfaction. Reducing grass cutting frequency would increase the price per cut.

4.2 It has also been confirmed by the Councils Corporate Procurement Team, that it would not be acceptable to re-negotiate a reduced level of specification with the recommended tender and a completely new tendering exercise would be required. This would lead to an unacceptable delay in procuring a new contract with associated additional tendering costs.

5. REASONS FOR RECOMMENDATIONS

5.1 The Tender received from Enterprise MRS is recommended for acceptance as their tender achieved the highest overall combined (quality and financial) evaluation score. The company scored the highest on quality, being able to meet substantially more of the specification requirements than the other five companies. Their financial evaluation was scored as the second placed company. The evaluation process is detailed in part 2 of this report.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 The costs associated with the letting of the new contract together with the costs of the negotiated enhanced specification of the current contract create a pressure on the existing Highways base budget of

£155,000 in 2008/09. Of this £100,000 has been earmarked from reserves leaving a service pressure of £55,000 that will be found from within existing ESS budgets.

- 6.1.2 The full year effect of implementing the new contract, at 2008/09 prices, will be a budget pressure of £84,000 on top of the existing base budget. This is made up of £69,500 for additional grass cuts and £14,500 for the one additional shrub bed visit. It therefore follows that the requirement for £84,000 in a full year represents better value for money than the current arrangements. It should be noted that this is particularly the case since the current arrangements do not include the requirement for the contractor to undertake the additional shrub bed maintenance visit.
- 6.1.3 The £84,000 required from 2009/10 onwards will be addressed through the medium term financial planning process.
- 6.1.4 There is adequate provision within the HRA budget to pay for the enhanced contract within Enfield Homes.
- 6.1.5 The Federation of Enfield Community Associations were consulted on and agreed to the increase in specification. This consultation took place as part of the 2007/08 rent setting process.
- 6.1.6 The Conditions of Contract allow for a Retail Price Index (RPI) adjustment to be applied to the contractual rates on the anniversary of the contract. Past Contractual uplifts have been in the region of 4.5%. However this figure is confirmed by Government on a rolling monthly basis. This increase will need to be considered on the anniversary of the contract, not on the financial year-end.

6.2 Legal Implications

- 6.2.1. Under the Local Government Act 2000, the Council has the power to do anything to promote the environmental wellbeing of its area, the provision of a grounds maintenance service will promote such. The procurement of the provider of service is in accordance with the Councils Constitution, in particular Contract Procedure Rules and the Public Contracts Regulations 2006. By choosing the most economically advantageous tender the Council is also complying with its Best Value duty under the Local Government Act 1999. As the existing provider has competitively secured the contract there are no TUPE implications. The contract will need to be in a form approved by the Borough Solicitor and under Seal.

6.3 Property Implications

- 6.3.1 There are no property implications for this report.

6.4 Risk Management Implications

As mentioned under "Legal Implications", by accepting a revised price from Enterprise the Council is at some risk of challenge from other tenderers for not being given the same opportunity to consider whether mistakes were made in the price list and submitting a revised price list.

7 PERFORMANCE MANAGEMENT IMPLICATIONS

7.1 The Contractor's performance in delivering this contract will be measured against the Council's Putting Enfield First objectives. In order to meet the Council's objectives the Contractor's performance will be assessed from the following three sets of indicators:

- Contract management
- Customer Satisfaction
- Operational Performance

7.2 Performance monitoring will be a continuous process and key performance indicators will be reported quarterly and annually to the Strategic Board meetings.

7.3 The Strategic Board will consist of senior service representatives and senior contractor representatives.

7.4 The Strategic Board will assess performance trends and seek to achieve continuous improvement by encouraging innovation. Continuous achievement of satisfactory and improving performance will be a pre-condition of future contract extension.

8. COMMUNITY IMPLICATIONS

Positive Impact

8.1 It is envisaged that the enhanced specification within the new contract will improve the appearance of the greensward areas, shrub beds and hedges within the London Borough of Enfield and subsequently benefit the residents and wider community.

9. PUTTING ENFIELD FIRST

This report seeks to satisfy the following aims and objectives.

Aim 1 A cleaner greener Enfield

Develop efficient and effective programmes to improve the Borough's Grass verges, shrubs and hedge areas.

Aim 5 Provide high quality and efficient services

Deliver excellent customer focused services that are accessible to all.

Increase the efficiency, value for money and quality services through continuous improvement and performance management

Background Papers

None