

<b>Cabinet</b>	
<b>Meeting Date</b>	22 September 2021
<b>Report Title</b>	Award of Grounds Maintenance Contract
<b>Cabinet Member</b>	Cllr Julian Saunders, Cabinet Member for Environment
<b>SMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Martyn Cassell, Head of Environment and Leisure
<b>Lead Officer</b>	Jay Jenkins, Leisure and Technical Services Manager
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To agree the 5-year contract award following a tender process, to Blenwood Ltd at a starting cost of £1,487,543.65 pa.</li> <li>2. To delegate to the Head of Environment and Leisure and Head of Legal Services in consultation with the Cabinet member for Environment to complete the necessary contract documents.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 The purpose of this report is for Cabinet to make a decision following the outcome of the recently undertaken tender process for the Grounds Maintenance Contract.
- 1.2 The existing grounds maintenance contract is due for renewal in January 2022.

## **2 Background**

- 2.1 The Grounds Maintenance Contract is one of the Council's largest services. It covers the maintenance and improvement of the Council's green spaces. Over 60% of the work is grass cutting across the 600+ sites we own (1.96 million square metres). It also includes the maintenance of trees (arboriculture) and hedges, sports pitches, the cemetery burials service, and the removal of litter from the sites. The service does not include the maintenance of highway verges or roundabouts which are managed by Kent County Council contractors.
- 2.2 The current contractor is Blenwood Ltd, who have been operating the contract since January 2007. The original contract concluded in January 2017 and was subsequently extended under the terms of the contract to January 2022.
- 2.3 Blenwood have provided a consistent and satisfactory level of service during their contract period and have proved to be very reactive to issues as they have arrived.

2.4 Given the length of time the current contract has been in place, it was important that SBC undertook a review process for the provision of services which would enable the current specification to be updated and tendered. This resulted in the removal of the Arboriculture element in order to encourage smaller, specialist local companies to bid for the work and bring better value for money. We also recognised the complicated situation of different contractors emptying litter bins across the Borough. Therefore, the emptying of the litter bins in our greenspaces is being incorporated into the existing street cleansing contract.

2.5 A Cabinet member workshop was held to determine the priorities for the future contract. This included a commitment to achieving climate and ecological benefits, improved litter management and increasing local employment conditions. Specific ways of delivering these were included in the tender specification.

- Commitment to paying employees at the Real Living wage set by the Living Wage Foundation.
- Reducing the use of pesticides
- Consideration of increased biodiversity and varied maintenance regimes including more wildlife areas,
- Embracing new technology such as electric vehicles and equipment
- 7 days a week litter clearance service

### 3 Tender Returns

3.1 A total of two tender returns have been received. Neither were rejected at evaluation stage.

3.3 Tenders were evaluated using the Councils 'Most Economically Advantageous Tender (MEAT) criteria. This considers the price (50%) and quality (50%) of submissions.

3.4 The tender prices ranged from £1,487,543.65 to £1,933,979.98. A full breakdown of costings for both options is in the tables below.

3.5 Evaluation was undertaken by 4 officers and recommended contract award report will be presented to SMT for review on 31 August 2021 and Cabinet on 22 September 2021.

<b>Company</b>	<b>Tender Price (£)</b>	<b>Tender Price Score</b>	<b>Quality score</b>	<b>Overall score</b>
A – Blenwood LTD	1,487,543.65	50.00	36.50	86.50
B –	1,933,979.98	38.46	30.75	69.21

- 3.6 The table shows that the proposed contractor scored highest on both price and quality.
- 3.7 As requested in the specification, a number of changes have been proposed. The stand-out differences between current and new contract are:
- A commitment to replacing diesel vehicles with Electric Vehicles starting in year 1 and increased over the contract period,
  - Use of electrical equipment instead of petrol models wherever possible,
  - Becoming a Real living wage employer from the start of the contract,
  - A proposal to reduce and then remove the use of pesticides over the period of the contract,
  - 7-day coverage for litter picking.
  - New costs for tree planting and ability to change the management regime of areas of the Borough, especially to promote greater wildlife
- 3.8 The terms and conditions of the contract have also been updated to include new legislation, greater performance indicators and heavier penalties for non-compliance.
- 3.9 The contract will be awarded on 15 October 2021 and the new contract will commence on 15 January 2022.

## 4 Financial Consideration

- 4.1 A breakdown of overall costs are shown in the table below to enable us to compare the bid with current budgets:

Description	21-22 Cost	Tendered Cost
GM Contract	£1,338,810	£1,487,543
Parks Litter bins (cost is moving to Biffa contract)	(inc.)	£39,900*
Tree works (48days)	(inc.)	£32,500
Green Waste disposal	£27,500	(inc.)
<b>Total</b>	<b>£1,366,310</b>	<b>£1,559,943</b>
Budget figure put in medium term financial plan for 2022-23		£1,509,050
	<b>Deficit</b>	<b>£50,893</b>

\*Estimated cost as we are undertaking a review of where park, dog and street litter bins are duplicated

- 4.2 Members may wish to reduce the specification in order to bring this in line with budgets as per the medium-term financial plan. This would need to be delegated to officers in consultation with the Cabinet member for Environment in order to meet the contract award deadlines.

## 5 Proposal

- 5.1 To agree the 5-year contract award following a tender process, to Blenwood Ltd at a cost of £1,487,543.65 pa.
- 5.2 To delegate to the Head of Environment and Leisure and Head of Legal Services in consultation with the Cabinet member for Environment to complete the necessary contract documents.

## 6 Alternative options

- 6.1 To not award the contract. This is not advised as we would not be able to deliver a grounds maintenance service.
- 6.2 To defer approval of the contract, agree removal of certain items and request both bidders to submit a new price. There is a risk this couldn't be done and agreed at a later Cabinet, before the end of the current contract. There are no guarantees that the incumbent would agree to extend the current contract.
- 6.2 To not award and to pursue alternative delivery models e.g., in-house or LATco. This is not recommended at the current time. The review of service considered these options. Mobilising either option would require a long lead in time. The Council does not have a suitable depot or land to create one. A considerable capital programme would be required for the purchase of machinery and the Council staffing structure does not currently support direct delivery of services. With the shrinking private sector market, it is likely that this will need to be a future consideration.

## 7 Implications

Issue	Implications
Corporate Plan	This service contributes to priority 2 in the Corporate Plan – Investing in our environment and responding positively to global challenges.
Financial, Resource and Property	<p>The current 2021/2022 contract value is £1,338,810 per annum which includes the arboriculture services but does not include the green waste disposal which sits in separate open spaces revenue budget and is £27,500 per annum.</p> <p>An increased budget was proposed in the medium-term financial plan for 2022-23 as rates were expected to rise given the age of the contract. Including the green waste disposal budget, the total budget for this service is £1,509,050.</p>

	<p>Members will need to consider if the shortfall (£50,893) can be funded from other sources or whether the proposal needs to be negotiated.</p> <p>The new contract will include an annual indexation figure set at CPI.</p>
<p>Legal, Statutory and Procurement</p>	<p>The procurement process was carried out in accordance with the Public Contracts Regulations 2015.</p> <p>Legal Services have prepared a new contract. Focus will be made on updating to current levels of oversight and any changes that may be required following pandemic experiences.</p> <p>Procurement timelines are in place to ensure the Council meets its obligations under UK legislation.</p>
<p>Crime and Disorder</p>	<p>The maintenance of public realm is a key component of providing a sense of 'place'. Well maintained sites contribute to pride and can reduce crime and disorder.</p> <p>The service does however suffer from vandalism at our sites and this contract helps to provide intelligence and reactive repairs.</p>
<p>Environment and Climate Ecological Emergency</p>	<p>The revised specification details improved biodiversity and carbon reduction opportunities. The tender asked bidders to present what measures they have in place to measure their carbon footprint and educate staff to contribute to reductions. These will be monitored over the course of the contract as part of the contract management process.</p> <p>Blenwood have confirmed that they run all their current vehicles in eco-mode which ensures that low emissions are maintained. Blenwood have confirmed that they intend to begin their investment in electric vehicles with the purchase of 3 (as a minimum) 100% electric NISSAN e-NV200 Conversion Tippers within the first year of the contract. They will also look to increase the number of electric vehicles over the lifecycle of the contract, reviewing new/enhanced vehicle technology as it is developed.</p> <p>Blenwood have also confirmed that they will adhere to the use of electric plant, pedestrian and handheld tools as specified in the ITT specification. For example, as part of the Pruning Schedule, the work will be carried out using approved hand tools. They have also confirmed that they are</p>

	<p>committed to only using electric hedge cutters within year one of the contract.</p> <p>Blenwood have also confirmed as part of their tender submissions that they have set targets which includes 3 electric strimmer's by year one of the contract and 3 more by year two and 6 leaf electric leaf blowers by year two of the contract.</p>
Health and Wellbeing	<p>Parks and open spaces are known to contribute to improved health and well-being. It is important that we provide a balanced approach to maintenance of our sites to encourage physical activity and recreational use but also to promote biodiversity to help contribute to improved air quality.</p>
Safeguarding of Children, Young People and Vulnerable Adults	<p>This contract was identified as level Bronze for safeguarding purposes. The Safeguarding team have reviewed the contractor's policies.</p>
Risk Management and Health and Safety	<p>The grounds maintenance service is heavily legislated and as a result the contract and specification will ensure that contractors meet and are monitored on meeting the required standards.</p> <p>The Council carries a responsibility to keep public areas in good repair. Having an effective contract will help to reduce the liability on the Council for claims.</p>
Equality and Diversity	<p>It is not felt that an Equalities Impact assessment is required for this service as it is a global service not individually directed at certain groups. Of course, each site will have individual considerations around access, but these are not valid to the delivery of the ground's maintenance service.</p>
Privacy and Data Protection	<p>None perceived.</p>

## 8 Appendices

None

## 9 Background Papers

None