

SURREY COUNTY COUNCIL

CABINET

DATE: 3 FEBRUARY 2015

REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES

LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER, BUSINESS SERVICES

SUBJECT: AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF GROUNDS MAINTENANCE SERVICES – NON SCHOOLS



SUMMARY OF ISSUE:

This report seeks approval to award a framework agreement for the provision of Grounds Maintenance Services – Non Schools to commence on 1 April 2015 in two geographical lots to the recommended supplier.

The report provides details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report, demonstrates why the recommended framework agreement award delivers best value for money.

Due to the commercial sensitivity involved in the framework agreement award process the financial details of the potential suppliers have been circulated as a Part 2 report (item 19).

RECOMMENDATIONS:

It is recommended that the single supplier framework agreement is awarded to G. Burley and Sons Limited for two years with an option to extend for two further years for both lots, subject to the detailed financial information as set out in item 19, the confidential annex to this report.

REASON FOR RECOMMENDATIONS:

A full tender process, in compliance with the requirements of Public Contracts Regulations 2006 and the Council's Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

DETAILS:

Background

1. The Council currently has two agreements for grounds maintenance services which both expire on 31 March 2015.
2. The services through the new arrangement will be consolidated into one framework agreement with a single supplier for all Non Schools property to allow cost savings through economies of scale, avoid excessive costs for separate agreement management fees and improve overall service levels.
3. The services associated with the existing agreements cover both cyclical and reactive works but exclude arboriculture services.

Procurement Strategy and Options

4. A full tender process, compliant with the Public Contracts Regulations 2006 and the Council's Procurement Standing Orders, has been carried out using the Council e-Procurement systems following the receipt of authority from Procurement Review Group (PRG) on 20 May 2014. This included advertising the framework agreement opportunity in the Official Journal of the European Union (OJEU) on 21 May 2014.
5. Several procurement options were considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity. These included:
 - a) continuing to provide the service as explained above;
 - b) purchasing through an existing external framework to which the Council as a named user has access or;
 - c) going out to tender for a new framework agreement.
6. After a full and detailed analysis the option chosen was to run a tender process as described in paragraph 5(c) set out above. This option was selected because, if the option as described in 5(a) was chosen, the Council would not have had the opportunity to review and improve services levels, and costs for management would increase disproportionately to the annual spend and no savings would be gained and if the option as described in 5(b) above was selected, the available frameworks would expire before the end of the agreement term that is proposed for the Council.
7. A joint procurement and project team was set up to include representatives from Property Services, Financial Services, Legal Services and Procurement.
8. The tender document divided the framework agreement into two separate geographical lots being Lot 1 – East Surrey and Lot 2 – West Surrey. All shortlisted suppliers from the pre-qualification stage were invited to tender for both lots.
9. Once awarded the framework agreement will also be available to other local authorities in the south east via an access agreement to call off to meet their own individual requirements.

10. This report recommends that a framework agreement for the provision of Grounds Maintenance Services – Non School to commence on 1 April 2015 is awarded to the supplier G. Burley and Sons Ltd.

Use of e-Tendering and market management activities

11. In order to open the tender process to a wider range of suppliers than have previously been involved, the Council's electronic tendering platform was used.
12. Use of the electronic platform represents a major change from previous paper based processes for this particular contract, and introduced a competitive process that was open and transparent to all involved.

Key Implications

13. By awarding a framework agreement to G. Burley and Sons Limited as recommended for the provision of Grounds Maintenance Services to Non Schools for both geographical lots to commence on 1 April 2015, the Council will be meeting its duties and ensuring best value for money for this service.
14. On award of the framework agreement there will be a five week mobilisation period.
15. Performance will be monitored through a series of Key Performance Indicators which have been proposed by the framework agreement as part of the tender submission and are to be finalised during mobilisation with the Council and reviewed at monthly operations meetings.
16. The management responsibility for the framework agreement lies with the performance officer for Property, Business Services and will be managed in line with the framework agreement Management Strategy and plan as laid out in the framework agreement documentation. This also allows for review of performance and costs, including inflationary increases at the discretion of the Council for any extended contract term in line with industry standard and efficiencies from identified continuous improvements in performance.

Competitive Tendering Process

17. The framework agreement has been let as a competitive tendering exercise. It was decided that the restricted process which includes a pre-qualification stage to ensure the best suppliers are selected to go through to full tender was appropriate.
18. For the pre-qualification stage, suppliers expressing interests in the advertised tender opportunity were evaluated to ensure that they had the required legal, financial and technical capacity (including their health & safety and equal opportunities policies) to undertake the provision of the services to the Council. Six out of the 21 suppliers who expressed an interest were shortlisted.
19. An invitation to tender was sent to these six suppliers, who were given 35 days to complete and submit their tender. Two tender responses were received from suppliers. These tender submissions were then evaluated against the quality and commercial criteria and weightings, the results being that G. Burley and Sons Limited scored highest, with a total score of 85.6% for both Lot 1 and Lot 2.

CONSULTATION:

20. Key stakeholders have been consulted at all stages of the commissioning and procurement process including Procurement, Legal Services, Property and Business Services and Finance.

RISK MANAGEMENT AND IMPLICATIONS:

21. Risks were appropriately identified and have been satisfactorily mitigated. These included operational issues around approach to and management of health and safety, quality assurance, financial stability of the suppliers and viability, environmental impact for disposal of waste and carbon off-setting, approach to business continuity planning and customer satisfaction.
22. The framework agreement includes a termination provision to allow the Council to terminate the agreement with three months notice should priorities change.
23. All short listed suppliers successfully completed satisfactory financial checks as well as checks on competency in delivery of similar framework agreements at the Pre-qualification stage.
24. The successful supplier will be required to provide either a performance bond or parent company guarantee against failure.

Financial and Value for Money Implications

26. Full details of the framework agreement's value and financial implications are set out in the Part 2 report.
27. The procurement activity has delivered a solution within budget and identified savings to the value of £68,000.
28. The new framework agreement will mean a decrease in costs, as well as an improvement in the service levels being delivered.

Section 151 Officer Commentary

29. The Section 151 Officer confirms that the cost of approving the recommended supplier is provided for in the current MTFP and that the report sets out clearly the reasons for the recommended award of framework agreement.

Legal Implications – Monitoring Officer

30. The Council has undertaken a competitive procurement exercise in accordance with the EU procurement regulations, to engage the supplier for the provision of Grounds Maintenance Services – Non Schools services.

Equalities and Diversity

31. The need for an Equality Impact Assessment (EIA) was considered, however, a conclusion was reached that as there were no implications for any public sector equalities duties due to the nature of the services being procured, an EIA was not required. Despite this, the preferred supplier will be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Humans Commission.

32. The framework agreement also requires the supplier to comply with the Council's Recruitment and Selection and Safer Recruitment policies when dealing with safeguarding responsibilities for vulnerable children and adults implications.

Other Implications:

33. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Public Health	No significant implications arising from this report
Climate change	99% of green waste generated will be recycled. A carbon neutral service is offered by the new supplier through the planting of trees.
Carbon emissions	Low emission machinery, tools and vehicles will be used where possible.

34. The incoming supplier will be required to provide an exit plan for the framework agreement within six months of the commencement date of the agreement.

WHAT HAPPENS NEXT:

35. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award	3 February 2015
Cabinet call in period	5 February to 12 February 2015
'Alcatel' Standstill Period	12 February to 23 February 2015
Framework agreement Signature	February 2015
Framework agreement Commencement Date	April 2015

36. The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed framework agreement award. This period is referred to as the 'Alcatel' standstill period.

Contact Officer:

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Consulted:

Surrey Property and Business Services
Surrey Procurement and Commissioning
Surrey Legal and Finance Department

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