

Cabinet Member for Finance and Resources and Cabinet Member for Education and Schools	Ref No. FR04 (12.13)
Procurement of a Contract for the Provision of Grounds Maintenance Services	Key Decision Yes
Report by Executive Director Finance & Performance and Director of Children's Services	Part I
	Electoral Divisions N/A

Executive Summary

This report seeks approval to commence a procurement process to secure new Grounds Maintenance contracts to replace the existing contracts that expire on the 31st December 2012.

The contract(s) is intended for all corporate non-school sites and for those schools and appropriate academies who wish to opt into the West Sussex County Council (WSSCC) corporate contract(s).

The contract(s) should commence from the 1st January 2013 for a period of 3 years with the option to extend up to a further 4 years (to a maximum of 7 years) subject to the future requirements for a grounds maintenance service and the performance of the appointed service providers.

Recommendations

The Cabinet Member is recommended to approve:

1. The commencement of the procurement process for the provision of Grounds Maintenance Services as detailed in this report.
2. Authority is delegated to the Executive Director Finance and Performance to award the contract(s) to the bidder(s) submitting the most economically advantageous tender(s) in terms of technical and commercial ability.
3. The contract(s) should be for a minimum of 3 years commencing on the 1st January 2013.
4. The contract(s) to include for optional extension for periods of up to 4 years for a maximum contract period of 7 years subject to the future requirements for grounds maintenance services and the performance of the appointed service provider(s).
5. To make the contract available to other public sector bodies as defined within the Public Contract Regulations 2006 within the geographical boundaries of East and West Sussex including Brighton and Hove.

1. Background

- 1.1 The current Grounds Maintenance contract provides Ground Maintenance services to schools, libraries, some adults and children learning centres within the county of West Sussex. The original contract periods have been extended to their maximum period of 7 years.
- 1.2 The service is provided by Landscape Services (a trading arm of Kent County Council and OCS Horticulture (OCS)). In essence each contractor has an equal amount of the value of the works that is approximately £990,000 per annum in total. The contract spend is split 90% schools, and 10% libraries, fire stations, and administrative sites. Noting, not all the schools use the corporate contract arrangement.
- 1.3 The current split of the county with 2 service providers has worked well, providing an element of competition with the service providers and benchmarking evidence for officers of the County Council to ensure a best value for money service is received both corporately and by the schools.
- 1.4.1 The intention is to bring together the grounds maintenance requirements within the corporate estate. This is to ensure best value for money and to reduce the risk of multiple contractors working on corporate sites that may not have been commissioned in compliance with Standing Orders on Procurement and Contracts.
- 1.4.2 There is a further need to ensure that service providers can meet our minimum requirements with regard to their competence, in terms of H&S, ability to carry out the works safely, the necessary levels of insurance, their financial position, quality management systems, attitude to equalities and sustainability issues.
- 1.5 Price based cost savings are not expected from a new procurement as there are increased costs of providing this service due to the cost of fuel, capital equipment, energy, and fuel and labour rates etc. Where contractors in this market place have sought to under-price their competitors consistently, it is not been a sustainable business model for them.
- 1.6 Grounds maintenance is a well-established outsourced service and the market place is a mix of large organisations that have grounds maintenance teams as part of a total Facilities Management solution (ie. a single service provider that provides all services to manage a facility ie. grounds maintenance, cleaning, front of house, security, engineering maintenance etc.), medium size organisations who provide a grounds maintenance and landscaping service and smaller grounds maintenance specific organisations that are more suited to maintain the smaller County Council properties or where there are limited grounds to be maintained.
- 1.7 There is limited scope in collaborating with other local public sector bodies. This is due to a range of factors that includes:

- the timing of our procurement process relative to theirs;
- it is considered to be a very local requirement, this was endorsed by the consultation with current service users and providers;
- District and Borough Councils have different needs compared to
- WSCC and the schools due to the maintenance of parks, crematoriums, street scene planting etc.;
- neighbouring authorities who have been consulted have long term contracts in place;
- WSCC is exploring facilities management arrangements;
- the movement of schools to become academies.

1.8 In view of the considerations detailed in 1.7 above we will make the contract available to other public bodies as defined within the Public Contract Regulations 2006 (ie. Health, District and Borough Councils etc.) within the geographical boundaries of East and West Sussex including Brighton and Hove in accordance with the Corporate Procurement Strategy, as future benefits may be realised.

1.9 The procurement process will be undertaken using the West Sussex eSourcing portal hosted by Bravo Solution to increase the efficiency of the tender process for the County Council and potential bidders. The procurement process will be open, fair and transparent in compliance with WSCC standing orders on procurement and contracts and the Public Contract Regulations 2006. It will further take into account the needs of the potential service providers, WSCC, the schools and academies and will reflect the nature of the market place.

1.10 To ensure best value for money the contract(s) will be awarded to the bidder(s) submitting the most economically advantageous tender(s). It is proposed that the contract period be for 3 years with the option to extend for periods up to a further 4 years to a maximum of 7 years. This would avoid the need to undertake further procurement exercises.

2. Consultation

2.1 Consultation with the current service providers has identified a number of areas that could deliver an improved and flexible service that would meet the needs of the corporate estate and schools. This will be reflected in the design of the specification of requirements, the commercial model and the terms and conditions of the contract.

2.2 The Resources Consultative Group and the Schools Forum have been consulted and agree the need to put in place new contracts that are more flexible and meet the needs of the schools and the academies as they become more prevalent within the County.

2.3 The schools have been consulted and 60% of schools confirmed they wish to participate in a centrally procured and managed contract for grounds maintenance services.

- 2.4 A Sustainability Appraisal has been undertaken and the findings will be integrated into the specification of requirements for the new service.

3. Customer Focus Appraisal

- 3.1 A full Customer Focus Appraisal (CFA) has been completed, drawing on the consultations carried out and is attached at Appendix A. The findings will be integrated into the design of the service where appropriate.

4. Resource Implications and Value for Money

- 4.1 Resources will be made available during the procurement process to ensure that the County Council obtains the service it requires from the bidder(s) who submits the most economically advantageous tender which balances technical and quality requirements against commercial elements to ensure the delivery of an affordable service that is best value for money.
- 4.2 The corporate budget is held by the Capital and Asset Management Unit and it is anticipated that there is sufficient funding available to meet the costs of the non-schools estate. It is the responsibility of schools and academies that hold their own budgets to make provision for grounds maintenance services.
- 4.2 The involvement of Procurement and other business services such as Legal, Health & Safety and Internal Audit will potentially have an impact on officers' availability for other initiatives but this is not expected to impact on current resource levels.
- 4.3.1 The proposal is to develop the procurement strategy to enable a flexible and responsive service to be provided to the schools and the academies. This will be sustainable for the contractors, require minimal investment by them on capital equipment and ensure the needs of WSCC are not compromised. As we cannot guarantee a level of spend (in particular schools and academies) the form of contract will be designed to accommodate this.
- 4.3.2 The commercial model for the contract will allow for the entry and exit of establishments (with an appropriate notice period either way) with the appointed service provider(s) and will be based on a schedule of rates that can be applied to any establishment.
- 4.4 No employees within WSCC are directly impacted by this proposal however staff currently employed by Landscape Services and OCS staff may be. If either Landscape Services or OCS does not bid for the service, or if they are unsuccessful in their bids, it is anticipated that some or all of their staff who are currently employed on delivering the services to WSCC and the schools under the current contract arrangements would transfer under TUPE to the new service provider.

- 4.5 It is recognised that service providers prefer longer contract periods to spread out the need to achieve a return on their investment for capital equipment, and therefore reduce the annual costs of providing the service to WSCC.

However in view of the rapidly changing environment that WSCC is operating within and the drive for schools to become academies it is felt a substantive contract period of more than 3 years would not be appropriate in this instance.

5. Risk Management Implications

- 5.1 Risks will be managed through the design of the procurement strategy that will protect the interests of WSCC and take into account the transition of schools to academies, and reductions in the corporate estate due to the 'Way We Work' programme.
- 5.2 The procurement process will be run in accordance with best practice procurement principles to mitigate any risk of challenge or non-compliance with the relevant regulations.
- 5.3 A risk log will be developed to mitigate risks associated with the project and the procurement process. The risk log will be dynamic to reflect the progress of the project and will be managed by an appointed officer from the project team.
- 5.4 Consultation with the schools and the existing providers has taken place to test ideas and to ensure that the service can be delivered as envisioned.
- 5.5 The successful service provider(s) will be required to have appropriate levels of insurance in accordance with West Sussex County Council Standing Orders on Procurement and Contracts. There is a further requirement to ensure compliance with the health and safety standards of the County Council.

6. Crime and Disorder Act Implications

There are no identifiable Crime and Disorder Act implications.

7. Human Rights Act Implications

There are no identifiable Human Rights Act implications.

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Appendix A: Customer Focus Appraisal

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