



# Delegated decision report

## DECISION UNDER DELEGATED POWERS

DECISION CANNOT BE TAKEN BEFORE 25 OCTOBER 2019

AWARD OF GROUNDS' MAINTENANCE CONTRACT

CABINET MEMBER FOR HERITAGE AND ENVIRONMENT

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### EXECUTIVE SUMMARY

1. To agree to the award of the grounds' maintenance contract for the contract period 1 January 2020 to 31 March 2026 (with the ability to extend for a further two years at the sole discretion of the authority).
2. To note that the award can be made within existing budgetary resources.

### REASON FOR URGENCY

3. This report has not appeared on the Forward Plan for the statutory required 28 days and in accordance with the constitution the views of the Chairman of Corporate Scrutiny have been sought. The Chairman has confirmed *that he is content for the report to be considered as an urgent item, to allow officers time to consult with town and parish councils prior to the contract commencement date of 1 January 2020.*

### BACKGROUND

4. The provision of local authority grounds maintenance contract services covers:
  - the cutting and care of grass;
  - marking and maintenance of sports pitches;
  - hedge maintenance;
  - shrub bed maintenance;
  - maintenance of ditches, ponds, watercourses;
  - weed control;
  - cemetery grounds and provision of burial services;
  - strimming (rights of way);
  - planting and maintenance of annual bedding.

5. The contract is to be let for six years with an option to extend for a further two.
6. The weighting criteria applied to the tender evaluation was 40 per cent price 60 per cent quality.
7. A detailed contract specification with a set of rates has been produced including a new set of digital site maps and measurements.
8. Four submissions were received and passed the initial questionnaire stage and all four were invited to tender.
9. The council published a contract notice (OJEU) in the Official Journal of the European Union in June inviting expressions of interest from suppliers interested in providing grounds maintenance services.
10. During the advertisement period a total of nine suppliers registered an expression of interest via the electronic portal and downloaded a copy of the pre-qualification questionnaire (PQQ).
11. A total of four suppliers submitted a completed PQQ by the submission deadline. Each PQQ was evaluated in accordance with the evaluation criteria.
12. The council issued a formal invitation to tender (ITT) to four suppliers that pre-qualified.
13. Tenderers were advised that the tender to be submitted would be evaluated against the primary (tier 1) and secondary (tier 2) award criteria and results are attached as an appendix.
14. When the contract was last tendered in 2011 the cost to the local authority was £1.3 million a year, however, over the period of the contract officers have worked closely with the contractor to reduce this cost to £811,000. £161,000 of this cost is recharged and received back as additional income.
15. Past reductions have been secured by:
  - (a) transferring the highways element of the contract to Island Roads £250,000;
  - (b) making reductions in performance standards £250,000;
  - (c) securing additional income contributions from town and parish councils or passing across maintenance liability £150,000.
16. The new contract specification has been drafted to sustain services but to also seek to achieve further savings. Further reductions in performance and frequency standards and the removal of some elements of specification have been introduced.
17. The most significant service removed from the new specification is summer bedding provided at Ryde, Shanklin, Cowes, East Cowes esplanades and some of the principal parks in Sandown, Shanklin, Seaview and Ventnor.
18. Officers have consulted with each area and it is hoped that services will continue either through buying back into our service contract or providing the services

directly. Some councils are already supporting the purchase of additional services.

19. The local authority's position has been to support maintenance and lease agreements across the community park portfolio only. Any previous requests to pass across freehold transfers to town and parish councils have not been previously supported because:
  1. loss of current and future income (concession rental, amenity land hire);
  2. loss of long-term commercial development opportunities;
  3. loss of the economies of scale and increase contract costs.

### STRATEGIC CONTEXT

20. With reference to the 2019-2022 Corporate Plan the grounds maintenance service support's the following core outcomes, particularly:
  - customer and community focused;
  - putting customers and our community at the heart of everything that we do;
  - be sensitive to local needs and concerns in everything that we do;
  - protect and nurture the environment and heritage;
  - engaging with partners to maximise integrated working;
  - helping communities to help themselves;
  - to support the attraction of externally funding to development and improve the public realm;
  - support the delivery of the Island Regeneration Strategy;
  - encourage and promote people to travel in a more sustainable manner to support the Island's reduce CO2 omissions across the period of the plan;
  - to make contribution to resident and visitor health and wealth being by using our public realm to encourage a more active lifestyle;
  - continue with our public engagement programme to underpin area-based social regeneration through active partnership engagement with local town and parish councils.

### CONSULTATION

21. Officers have attended individual town and parish council meetings and briefings over the past 24 months to update them on the new specification and tender process.
22. Throughout the consultation and tendering period officers have sent regular briefings and updates to partner organisations.
23. Officers have attended and presented updates and future delivery options to IWALC (Isle of Wight Association of Local Councils).

24. The Cabinet member for heritage and environment has been briefed throughout the period of specification development and tender process.

### FINANCIAL / BUDGET IMPLICATIONS

25. The contract has been split into two parts:

Core services which is focused on delivery of grounds maintenance within principal parks and burial services. This will be funded by the local authority.

Non-core services provided within the contract to internal and external stakeholders will be costed on a rechargeable basis. This part will include community parks and open space, schools and internal department grounds. These sites can be maintained within the contract or removed and maintained directly through a maintenance agreement or lease.

26. Four tender returns were submitted from experienced contractors.
27. Following the evaluation process, tenderer C scored the highest combined score (price/quality) and is currently at preferred bidder status.
28. This tender has price has secured the authority a 15 per cent reduction against current cost. (Core services).
29. Officers will also be reviewing waste management costs (litter bin numbers and location and frequency of emptying) within the first year of the contract. The review includes the potential use of digital technology to monitor waste levels to ensure litter bins are positioned in the locations of greatest need and are emptied only when needed. A further saving is anticipated from this review.
30. Services provided to town and parish councils through maintenance agreements will be reviewed with each local council. If local councils wish to continue to support the services provided within community open spaces and summer bedding, they will be recharged on a full cost recovery basis.
31. Services provided to schools/colleges and internal departments will also be recharged on the same basis as the previous contract.

### CARBON EMISSIONS

32. In line with the requirements of the council's Carbon Management Plan, the successful bidder has agreed to provide an annual summary of carbon emissions associated with delivery of the contract.
33. The successful contractor has committed to deliver a number of initiatives throughout the terms of contract to help reduce the local authority's carbon footprint.
34. All vehicles and ride-on machinery will be equipped with a tracking device to monitor work efficiency and driver safety. This will increase fuel efficiency by targeting and modifying poor driving behaviours and allow for more efficient deployment of machinery.

35. 100% of the green waste that arises as a result of the contractor's activities will be recycled or reused, composted and returned to site. The aim is to also to maximise the recycling of all other waste, including segregating litter and debris into the appropriate recycling streams at source and recycling all waste derived from their depot and offices.
36. Pedestrian handheld equipment used on the contract such as strimmer's, blowers and hedge cutters will be moving towards battery-powered by the end of the contract. These reduce CO2 emissions and provide a cleaner and quieter service. The contractor will work with dealers in the trialling and development of larger battery powered machines, towards becoming carbon neutral.
37. As part of their commitment to minimising air pollution, the vehicle fleet will be moving towards Euro 6 compliant electric vehicles.

### LEGAL IMPLICATIONS

38. Procurement processes must comply with the European procurement rules and the Treaty obligations of transparency, equality of treatment and non-discrimination as well as the council's contract procedure rules.
39. The procurement exercise has been undertaken in line with council's financial regulations and all relevant legislation. The contract entered into by the council and the contractor shall set out the legal obligations of the council and the contractor.

### EQUALITY AND DIVERSITY

40. An equality impact assessment has been drafted and has been attached as appendix 1.

### PROPERTY IMPLICATIONS

41. There are no property issues related to this report at this time, however close liaison with property services and the regeneration teams will be required if land agreements (maintenance agreements or leases) are considered for parks and open spaces areas.

### OPTIONS

42. Approve the award of the grounds maintenance contract to supply grounds maintenance to Tenderer C as the most economically advantageous bid following a full EU competitive process. That officers work closely with town and parish councils to secure contract buy pack agreements or maintenance agreements or leases for those partners who wish to provide services directly across community open space and summer bedding.
43. Officers discussed with highways colleagues the possibility of combining grounds maintenance contract into the highways contract. However, for contractual reasons this option was dismissed. Grounds' maintenance is not a core function of Island Roads and they have sub contracted the grounds' maintenance function. Combining the service would be contractually difficult to achieve with higher costs and loss of control.

44. Officers considered bringing the grounds' maintenance contract in-house, however, it was felt that this option in the short to medium term would not be able to provide additional benefits or savings to the council.

## RISK MANAGEMENT

45. If the grounds' maintenance contract is not awarded, then the authority will not have a contractor in place to undertake its statutory burial services from 1 January 2020.
46. Each tenderer had to demonstrate to the council that it mobilises before the 1 January. The tender process asked for detailed mobilisation plans to be submitted to demonstrate that service could be delivered from day one.
47. An important factor in the award will be the contractor's willingness to work with the council on securing existing and new business from internal and external stakeholders.
48. The risk of contract poor performance has been addressed in the terms and conditions of the contract. Rectification notices and default clauses have been included to support contract monitoring and performance management.
49. The authority has the ability to terminate the contract giving six months' notice.
50. The successful tenderer has provided the authority a range of operational risk assessments to demonstrate safe working practices on our public realm.
51. The management of trees is not included on the contract and remains a corporate risk. Discussions are currently taking place to secure additional resource outside this contract, however, there is an opportunity to work more closely for the preferred supplier to address this risk in the future.
52. The successful contractor has submitted business continuity plans.

## EVALUATION

53. Four tenders were submitted by the tender submission deadline.
54. Each tender was subject to an initial compliance check to ensure that: It met the council's submission requirements/instructions that had been notified to tenderers and did not include any variations to the documentation; and It was sufficiently complete to enable the tender to be evaluated in accordance with the evaluation methodology.
55. Each tender was then evaluated in accordance with the award criteria published in the ITT by each member of the evaluation team, which comprised:
  - strategic manager parks and open spaces;
  - parks officer;
  - commercial services activities officer.

**RECOMMENDATION**

56. Approve the award of the grounds maintenance contract to supply grounds maintenance to Tenderer C as the most economically advantageous bid following a full EU competitive process. That officers work closely with town and parish councils to secure contract buy pack agreements or maintenance agreements or leases for those partners who wish to provide services directly across community open space and summer bedding.

57. [Appendix 1 - Equality Impact Assessment](#)  
Appendix 2 - Tender Evaluation (Confidential)

**BACKGROUND PAPERS**

Grounds maintenance contract specification

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*All representations in regard to this decision must be submitted to [delegated.decisions@iow.gov.uk](mailto:delegated.decisions@iow.gov.uk) by the close of the consultation period.*

Colin Rowland  
*Director of Neighbourhoods*

*Cllr John Hobart*  
*Cabinet Member for Environment*  
*and Heritage*

Decision

Signed

Date

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