

**LONDON BOROUGH OF BRENT**  
**EXECUTIVE – 9<sup>th</sup> February, 2004**

REPORT FROM THE DIRECTOR OF ENVIRONMENT

FOR DECISION

NAME OF WARD: ALL

<b>Report Title : AUTHORITY TO AWARD CONTRACT FOR ARBORICULTURAL SERVICES</b>
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**1.0 SUMMARY**

1.1 This report requests authority to award a contract as required by Contract Standing Order No. 89 (authority to award required from the Executive given the contract value). This report summarises the process undertaken in tendering this Arboricultural Services Contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

**2.0 RECOMMENDATIONS**

- 2.1 That the Executive notes the tendering and evaluation process that has been undertaken for this Contract.
- 2.2 That the Executive awards the Arboricultural Services Contract to Gristwood & Toms.
- 2.3 That the Executive recommend approval through the Council's Revenue Budget setting process for 2004/05 of a further growth sum of £50,000 for the StreetCare (Arboricultural Services) Revenue Budget.

**3.0 FINANCIAL IMPLICATIONS**

- 3.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.
- 3.2 The estimated value of this services contract is in excess of £5million over the maximum contract period of eight years. Details of the estimated contract value are contained in paragraphs 11.10, 11.11 and 11.14.
- 3.3 A representative of Brent Financial Services was a member of the Evaluation Panel.
- 3.4 The cost of this Contract will be funded from the Environment Department's StreetCare Service Unit revenue budget.

#### **4.0 STAFFING IMPLICATIONS**

- 4.1 An external contractor currently provides the service, and there are no implications for Council staff arising from the proposed contract award.

#### **5.0 DIVERSITY IMPLICATIONS**

- 5.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

#### **6.0 ENVIRONMENTAL IMPLICATIONS**

- 6.1 The new Arboricultural Services Contract will put in place an effective regime for the continued proactive maintenance of the Council's highway trees and shrub beds, with some provision for ad-hoc and emergency works, as well as new tree planting.
- 6.2 The inclusion of a proactive tree inspection regime will be an important measure in seeking to reduce the Council's liability from claims in respect of tree root damage or arising from health and safety issues.
- 6.3 The Council's 'new' Street Tree Management Policy, approved by the Executive at its meeting on 13<sup>th</sup> October, 2003 will be delivered through this Arboricultural Services Contract.

#### **7.0 LEGAL IMPLICATIONS**

- 7.1 The services contained in the contract are Part B services under the Public Procurement Regulations. The estimated value of this contract over the term of the contract (including any extension) is higher than the threshold for Part B Services Contracts and the award of the contracts therefore is subject to partial application the Public Procurement Regulations. However, the contract was tendered in accordance with the restricted tendering process prescribed in the Public Procurement Regulations. The award is also subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.
- 7.2 A representative from Legal Services attended meetings of the Evaluation Panel to offer advice and guidance.

### **DETAIL**

#### **8.0 BACKGROUND**

- 8.1 At its meeting on 2<sup>nd</sup> December, 2002 the Executive resolved (amongst other things) to instruct officers to re-tender this service contract during 2003/04.
- 8.2 In order to meet the procurement timetable, the drafting and preparation of much of the tender documentation was to be contemporaneous with seeking Executive approval for the Street Tree Management Policy. This would enable the tendering process to proceed promptly after approval of the Policy and meet the 1<sup>st</sup> April 2004 contract start date.

8.3 At its meeting on 13<sup>th</sup> October, 2003 the Executive approved a revised Street Tree Management Policy. The Policy's objectives will be delivered through this Arboricultural Services Contract.

## **9.0 TENDER PROCESS**

9.1 The new contract will be let for a term of five years, with an option on the Council's part to extend for a further period of three years.

9.2 An advertisement was placed in the Official Journal of the European Communities (OJEC), the trade press and a local newspaper. The OJEC Notice was despatched on 6<sup>th</sup> August, 2003.

9.3 The purpose of the advertisement was to seek initial expressions of interest from prospective tenderers, and this elicited 28 initial enquiries. Shortlisting questionnaires an outline of the services to be provided were sent out and 13 prospective tenderers returned the questionnaires.

9.4 The Pre Qualification Questionnaire used for this Contract was the Council's 'model questionnaire', and these were evaluated according to the Council's standard criteria.

9.5 Shortlisting was carried out on the basis of business probity, financial and economic standing, ability and technical capacity (including experience of contracts of a similar size and nature), and health & safety.

9.6 The Evaluation Panel noted that a large proportion of the 28 companies that made initial enquiries had significantly more experience in landscape and horticulture, compared with specialist arboricultural experience.

9.7 On 30<sup>th</sup> October, 2003 four contractors were invited to tender. Of the nine contractors not invited, seven failed to meet the Council's requirements on financial standing, whilst two others failed on the evaluation of their ability and technical capacity, with one of these also failing the Council's Health & Safety evaluation.

9.8 The Evaluation Panel noted that a large proportion of the 28 companies that made initial enquiries had significantly more experience in landscape and horticulture, compared with specialist arboricultural experience.

9.9 The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous to the Council, using the following criteria:

- (a) the tenderer's experience of providing comparable services;
- (b) the tenderer's technical capacity to deliver the services. The Council will give due consideration to the professional and technical qualifications and experience of the managers and staff who will be responsible for delivering the contract;
- (c) completeness of proposals as set out in the Tender;
- (d) the appropriateness and effectiveness of the Tenderer's proposed systems and working methods as set out in its Method Statements and tender submission generally;
- (e) ability to achieve continuous improvement and any consequential qualitative improvements for financial savings which are set out in the Tender;
- (f) understanding and commitment of the Council's service delivery objectives;
- (g) the contract price and its component parts and an evaluation of these sums during the Contract Period;
- (h) demonstrable value for money.

- 9.10 In addition to the usual range of tender documentation, the Council supplied a copy of the new Street Tree Management Policy and a copy of the data from the 2003 Street Tree Survey, thus providing a comprehensive set of information about the Borough, its tree stock and our street tree policy objectives.
- 9.11 All tenders had to be submitted no later than 12noon on Wednesday, 10<sup>th</sup> December, 2003. Tenders were opened on 10<sup>th</sup> December, 2003 and two valid tenders were received.
- 9.12 Officers have contacted the two contractors that did not tender, to ascertain the reasons why. To date, one response has been received, stating that due to other commitments in the same period the company concerned were unable to complete the tender in time. They apologised to the Council for any inconvenience this may have caused and hoped that this would not prevent them applying for similar and other contracts with the authority.
- 9.13 Tenderers were required to submit information providing details of their proposed arrangements for performing the services, as set out in Appendix 1.
- 9.14 During the tendering period a number of questions were asked as points of detail or clarification. In accordance with tendering procedures, all questions and the Council's responses to them, were copied to all four contractors invited to tender to ensure that all contractors had the same understanding of the contract requirements.

## **10.0 EVALUATION PROCESS**

- 10.1 The tender evaluation was carried out by a panel of officers, comprising six officers from the Environment Department (3 x StreetCare, 1 x Environmental Policy, 1 x Health & Safety, 1 x Transportation), plus a representative from Brent Financial Services. A representative from Legal Services also attended the evaluation as advisor to the panel. The Panel also agreed that an observer from the StreetCare Unit be present, as part of that person's personal development and to help meet objectives set for them through the Staff Development & Appraisal process.
- 10.2 The evaluation of tenders has broadly been in three parts – health & safety, technical (to include experience, ability, capacity, working methods etc.), and financial. A fourth assessment was carried out that looked specifically at environmental aspects. This identified areas with particular environmental consequence that the Council may wish to work with the successful contractor on, as the Council strives to improve its own environmental credentials. Point 17 of Appendix 1 summarises the respective position with the two tenders submitted.
- 10.3 As stated in paragraph 9.9 the Council stated that the contract would be awarded on the basis of the most economically advantageous to the Council. The panel used the criteria shown in paragraph 9.9 to develop a series of method statements that each tenderer was required to address in their tender submission.
- 10.4 These method statements were assessed and the scores for each tenderer shown in Appendix 1.
- 10.5 The Panel met on two occasions after tenders were received.

## **11.0 RESULTS OF THE EVALUATION OF TENDERS**

- 11.1 As noted already, two tenders were received – these were from Glendale Managed Services and Gristwood & Toms. The latter is the Council's current contractor.
- 11.2 The Health & Safety evaluation of each Tenderer's proposals showed that both submissions were of a good quality, with each company able to demonstrate that they have considered all the main issues of health and safety associated with the contract. Both submissions were supported, and both scored a maximum score of 5 in the evaluation matrix (score 5 = exceeds Council requirements and adds value).
- 11.3 The Technical evaluation is summarised at Appendix 1. This shows the individual scores for each contractor against a total of 22 separate assessments, and the maximum possible score is 110 points.
- 11.4 Members will note that Gristwood & Toms have achieved the higher score (95 compared with Glendale Managed Services' 87 points). The Panel was careful to avoid bias in this assessment, in that an existing contractor can use their current position to draw upon their knowledge and experience of the Borough to present more favourable proposals. It would be unfair to mark other contractors down, on issues that they could not possibly address until awarded the contract.
- 11.5 Nevertheless, the Gristwood & Toms proposals have been geared specifically to Brent and the Borough's needs and the condition of its tree stock, whereas the Glendale Managed Services proposals appeared to be more 'standard' responses to the issues they were asked to address. It is not clear how much regard was taken to the additional information provided with the Tender Pack, through the Street Tree Management Policy document and the comprehensive information from the Brent 2003 Street Tree Survey.
- 11.6 On the basis of the Technical evaluation, whilst both tenderers provided good information, the proposals and arrangements submitted by Gristwood & Toms are more advantageous to the Council.
- 11.7 Part 1 of the financial evaluation model identified the "fixed cost" element of the contract, by selecting those quantifiable areas of activity that will be required every year. As noted previously, this includes the annual tree inspection regime that is intended to reduce the potential for insurance claims relating either to tree root damage or other health and safety considerations. This inspection regime is an important part of the Council's new Street Tree Management Policy.
- 11.8 Part 2 of the financial evaluation model showed the cost of carrying out tree operations on a "basket of works" that is broadly equivalent to 4 years' cyclical maintenance work under the contract. This approach was taken as the nature of the Council's Arboricultural Services Contract means that not every tree is attended to every year, and each year's programme will be different from the previous. More importantly, it gives the Council flexibility to tailor each year's programme of works according to our own perceived needs and the available budget, knowing what the cost will be at the start of each year, giving full budgetary control.
- 11.9 The Part 2 basket of works did not include any provision for ad-hoc or emergency works, nor is any provision included for further phased removal and replacement programmes.

11.10 The comparative costs, using the price evaluation model, provided by each tenderer, presented as “fixed” and “variable” costs is as follows:

	<b><u>Glendale Managed Services</u></b>	<b><u>Gristwood &amp; Toms</u></b>
Fixed Costs p.a.	£321,865.24	£207,363
Variable Costs, over 4 years (estimated)	£1,731,398.97	£1,653,720.00
<b>TOTAL</b>	<b>£2,053,264.21</b>	<b>£1,861,083.00</b>

11.11 If the above prices are presented as a total cost over 4 years, then the costs (at tendered prices) are:

	<b><u>Glendale Managed Services</u></b>	<b><u>Gristwood &amp; Toms</u></b>
Fixed Costs, over 4 years	£1,287,460.90	£829,452.00
Variable Costs, over 4 years (estimated)	£1,731,398.97	£1,653,720.00
<b>TOTAL</b>	<b>£3,018,859.80</b>	<b>£2,483,172.00</b>

11.12 From the tendered prices, it is noticeable that the fixed annual sums are quite different between both tenderers. It is advantageous to the Council if the fixed annual sums are low, as this provides greater capacity within the remaining available budget for maintaining trees on the cyclical programme, funding ad-hoc or emergency works, and funding further programmes for phased removal and replacement of trees to reduce the likelihood of insurance claims for tree root damage.

11.13 The tender submitted by Gristwood & Toms for fixed prices is some £114,000 per annum lower than Glendale Managed Services, meaning that more of the total annual budget is available for cyclical and proactive maintenance work.

11.14 The average cost per annum from the figures shown at paragraph 11.11 is calculated at:

Glendale Managed Services	-	£714,715
Gristwood & Toms	-	£620,793

### **Summary of Tender Evaluation**

11.15 On the basis of the main components of the tender evaluation, the following is a summary:

Evaluation of:	Relevant part of evaluation criteria (see para. 9.9)	Highest scoring tenderer	2 <sup>nd</sup> highest scoring tenderer
Health & Safety	(c), (d)	Equal scores	Equal scores
Environmental aspects	(c), (d)	Equal scores	Equal scores
Technical	(a), (b), (c),(d), (e), (f)	Gristwood & Toms	Glendale Managed Services
Financial	(c), (g), (h)	Gristwood & Toms	Glendale Managed Services

- 11.16 The annual budget for 2004/05 will be in the order of £645,000. On this basis, the lower of the two tenders provides an acceptable level of service with a small balance of around £25,000 in the budget for ad-hoc, emergency, and tree removal and replacement works. The second tender is higher on price, and lower on quality, with the added disadvantage of being higher than the available budget, even before an allowance for ad-hoc, emergency, and tree replacement and removal works.
- 11.17 Officers believe that the tender submission from Gristwood & Toms is the most economically advantageous of the two tenders received.
- 11.18 The Panel recommendation, therefore, is to recommend that the contract is awarded to Gristwood & Toms.
- 11.19 Officers further recommend that additional budget provision be sought to establish a proper level of budget for ad-hoc, emergency, and tree removal and replacement works. As noted above the lower tender submitted by Gristwood & Toms leaves around £25,000 for this.
- 11.20 However, the Council has previously allowed around £52,000 for ad-hoc and emergency works, and in 2003/04 this is projected to overspend by around £10,000, principally on ad-hoc works. The current year's programme for phased tree removal and replacement is costed at around £47,000 plus the costs of footway reinstatements. Future year's programmes for phased removal and replacement may be smaller and cost less than in 2003/04.
- 11.21 If the 2003/04 spending levels on ad-hoc works, emergency works and phased tree removal and replacement were repeated in 2004/05, then around £100,000 of work would be required against a budget provision of £25,000.
- 11.22 However, the establishment of the new cyclical programme of work for street trees should reduce the need for ad-hoc works, and the phased removal and replacement programme in 2004/05 might not need to be as large as the 2003/04 programme.
- 11.23 Officers estimate, therefore, that a further sum of £50,000 revenue budget growth from 2004/05 onwards should be sufficient to fund a full programme of cyclical maintenance works with ample provision for ad-hoc, emergency, and phased tree removal and replacement works.

## **12.0 FURTHER BACKGROUND INFORMATION**

### **12.1 Details of Documents**

- (i) Report to the Executive 21.07.03 – Re-tendering of the Arboricultural Services Contract.
- (ii) Report to the Executive 13.11.03 – Street Tree Management Policy
- (iii) Invitation to Tender, Parts 1 to 5, Arboricultural Services Contract

12.2 Any person wishing to inspect the above papers should contact Keith Balmer, StreetCare, Brent House, 347-359 High Road, Wembley, Middlesex, HA9 6BZ. Telephone: 020 8937 5066.

**Richard Saunders**  
**Director of Environment**

**Keith Balmer**  
**Director of StreetCare**

## APPENDIX 1

### QUALITY EVALUATION – SUMMARY AND SCORING DETAILS

No.	<u>Contractor:</u>	GMS	G and T
	Key: GMS = Glendale Managed Services G and T = Gristwood & Toms		
<b>A</b>	<b>Please provide</b> details of your proposed management structure (including brief details of the management background and experience of the principal manager(s) proposed to be employed in the provision of the Services).	<b>4</b>	<b>4</b>
<b>B</b>	<b>Please provide</b> details of your projected staff establishment for this Contract, and state the likely ratio between directly employed to temporary or agency staff.	<b>4</b>	<b>5</b>
<b>C</b>	<b>Please explain</b> how you propose to secure the skilled staff resources required for this Contract, and where (if known) these staff have been previously employed. Please state if these staff are to be re-deployed from your own or another organisation.	<b>4</b>	<b>5</b>
<b>1</b>	Provide details of your company's experience on providing comparable services, giving current annual values for the services concerned.	<b>4</b>	<b>5</b>
<b>2</b>	Your intended arrangements for the day to day supervision of operatives carrying out the Services covered by this Contract.	<b>4</b>	<b>4</b>
<b>3</b>	Proposals for the use of vehicles, stating the numbers of, and types of, vehicle.	<b>4</b>	<b>5</b>
<b>4</b>	Proposed use of equipment and machinery for carrying out the Services covered by this Contract.	<b>5</b>	<b>5</b>
<b>5</b>	Proposed location from which this Contract will be managed, stating whether the Contract will be wholly managed from this location and, if not, details of other places from which the Contract will be managed.	<b>4</b>	<b>4</b>
<b>6</b>	Proposed mobilisation arrangements, together with timescales for these.	<b>4</b>	<b>4</b>
<b>7</b>	Details of proposed use, if any, of sub-contractors for the provision of any part of the Services.	<b>4</b>	<b>4</b>
<b>8</b>	Proposed working method for the removal and replanting of trees.	<b>4</b>	<b>4</b>
<b>9</b>	Proposed arrangements for carrying out annual tree inspections, as described in the Specification. Tenderers should list those issues or aspects that they consider a tree inspection should address.	<b>2</b>	<b>4</b>



## APPENDIX 1 (continued)

No.	<u>Contractor:</u>	GMS	G and T
<b>10</b>	Proposes arrangements to ensure that suckers, basal and epicormic growth does not exceed 15cms.	<b>2</b>	<b>4</b>
<b>11</b>	The Tenderer's proposals for disposing of the various arisings that result from work covered by this Contract, including proposals to maximise the amount of arisings that will be recycled or composted.	<b>4</b>	<b>4</b>
<b>12</b>	The Tenderer's proposals for meeting the requirements of section 9 of the Specification in respect of highway shrub beds and borders.	<b>4</b>	<b>4</b>
<b>13</b>	Details of the proposed quality control system to be used in connection with the Services.	<b>5</b>	<b>4</b>
<b>14</b>	Proposed system and response times for dealing with day to day complaints, service requests, and general enquiries from the Authorised Officer or his/her representative.	<b>4</b>	<b>5</b>
<b>15</b>	Details of how the Tenderer proposes to deliver continuous improvement in the delivery of the Services.	<b>4</b>	<b>4</b>
<b>16</b>	Please provide details of how you will provide adequate arrangements for out of hour emergencies, peaks and troughs of work; and explain details of any back up equipment available to you.	<b>4</b>	<b>4</b>
<b>17</b>	Environmental impact: please explain your measures to control pollution from any of your work under this contract.	<b>4</b>	<b>4</b>
<b>18</b>	Provide details of the day to day management arrangements ensure that all aspects of Health and Safety are adequately catered for.	<b>5</b>	<b>5</b>
<b>19</b>	Assessment of management structure, the experience skills and qualifications of senior people and the apparent match to service needs.	<b>4</b>	<b>4</b>
	<b>TOTAL SCORE:</b>	<b>87</b>	<b>95</b>

### Scoring Key:

- 5 points = Exceeds Council requirements and adds value
- 4 points = Meets Council requirements
- 2 points = Mostly meets Council requirements, with some reservations
- 1 point = Falls short of Council's requirements
- 0 points = No, or minimal, information provided.