



Cabinet
11 December 2017

**Report from the Strategic Director
of Regeneration and Environment**

Authority to Award Contract for Arboricultural Services

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt - Appendix 1 is Not for Publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
No. of Appendices:	2
Background Papers:	Cabinet Report: <i>Arboricultural Services Contract and Authority to Tender</i> , 24 April 2017
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1.0 Purpose of the Report

- 1.1 This report requests authority to award a contract as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendation

- 2.1 That Members approve the award of the contract for the Arboricultural Services Contract to Gristwood and Toms Ltd for a period of five (5) years from 1st April 2018, with an option to extend for up to two (2) additional years.

3.0 Detail

- 3.1 The Council has in excess of 17,000 public highway trees, 5,200 estate trees located on 200 housing estates, and 14,500 trees in Brent's parks and cemeteries.
- 3.2 There are currently separate maintenance contracts for public highway trees and for estate trees, both with Gristwood and Toms Ltd and both expiring on 31st March 2018. The Parks service does not currently have a formal trees maintenance contract. Instead, maintenance works are carried out on an ad hoc basis, according to need, and these works are placed almost exclusively with the council's current contractor, Gristwood and Toms Ltd.
- 3.3 The new Arboricultural Services contract will cover all trees on the public highway, on housing estates and in parks and cemeteries. The combined value of the Council's spend on arboricultural services will be £0.65m p.a. based on existing budgets.
- 3.4 The contract is priced according to the estimated volume of work being delivered against the tendered schedule of rates, covering the full range of activities undertaken to maintain the tree stock.
- 3.5 The contract specification breaks down specific work activities (e.g. pruning, pollarding, planting, etc.), and sets out the Council's expectations for the undertaking of maintenance works. This is aimed at ensuring that works are delivered to a standard which does not prejudice the health of the tree stock. The majority of these works are undertaken as part of an annual programme, but some works are undertaken on an ad hoc basis where there is a requirement for immediate action to eliminate potential risks.
- 3.6 There is also an element of fixed costs in the contract, associated with public highway ground works. These works ensure that the Council meets its statutory requirements by keeping the highway clear. They include the removal of epicormic (basal) growth from the Council's lime trees, and the removal of low hanging branches which may impede the footway or carriageway.
- 3.7 There is provision within the contract for the Contractor to coordinate and undertake emergency works.
- 3.8 The former street trees contract specification has been updated to incorporate the requirements of all three services. It requires a risk assessment on the Council's public highways trees stock to be kept up to date, taking particular account of trees liable to cause subsidence and property damage. This will be facilitated by the comprehensive street trees database which has been assembled over the past 18 months.

- 3.9 The revised specification explicitly encourages the contractor to improve quality and reduce costs while taking account of safety issues.
- 3.10 Contract performance management requirements have also been improved in the revised specification. Key Performance Indicators (KPIs) will be monitored to ensure that a satisfactory level of service is being delivered by the Contractor. All data which will inform the Key Performance Indicators will also be recorded on the trees database. Each KPI has a target with performance thresholds which determine whether the performance level against each KPI is at a Green, Amber or Red status.

The tender process

- 3.11 The contract opportunity was advertised on 24th July 2017 in the Official Journal of the European Community (OJEU), and the London Tender Portal inviting expressions of interest under a two stage tender process. Shortlisting was carried out on the basis of the contractors' financial viability and technical ability on 20th September 2017 and 4 contractors were invited to tender.
- 3.12 The Invitation to Tender stated that the contract would be awarded on the basis of the most economically advantageous tender; and that the Council would evaluate tenders on the basis of a weighting of 40% attributable to price and 60% to quality. The quality assessment was based on the following sub-criteria:
 - Management of the Contract – 8%
 - Mobilisation – 8%
 - Provision of the Service – 14%
 - Health & Safety, Quality Control and policies – 8%
 - Exit Strategy – 4%
 - Continuous Improvement – 8%
 - Social Value – 10%

- 3.13 Tenderers were asked to submit additional information providing details of their arrangements concerning health & safety risk assessments.

Evaluation process

- 3.14 The tender evaluation was carried out by a panel of officers from Environmental Services and Housing Management.
- 3.15 All tenders had to be submitted electronically no later than 24th October 2017. Tenders were opened on 24th October 2017 and two valid tenders were received. Each member of the evaluation panel read the tenders using evaluation sheets to note down their comments on how well each of the award criteria was addressed.

- 3.16 The panel met on 31st October 2017 and each submission was marked by the whole panel against the award criteria.
- 3.17 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. It will be noted that Tenderer A was the highest scoring tenderer. Officers therefore recommend the award of the contract to Tenderer A, namely Gristwood and Toms Ltd.
- 3.18 The contract will commence on 1st April 2018 subject to the Council's observation of the requirements of the mandatory standstill period noted in paragraph 5.3 below.

4.0 Financial Implications

- 4.1 Approving the recommendation of this report as set out in paragraph 2.1 will commit the Council to a five year contract (with the option to extend for a further two additional years) valued at up to £0.65m. The annual budget available amounts to £0.65m to be funded from existing approved budgets within Regeneration & Environment (£0.49m) and the Housing Revenue Account (£0.16m).
- 4.2 Fixed costs to cover tree maintenance in order to safeguard the Borough's highways amounts to £0.12m, the remaining variable element of £0.53m are to cover other tree maintenance works based on a schedule of pricing rates. The service is advised to plan work within the contract's schedule of rates to ensure overall expenditure is kept within the £0.65m budget.
- 4.3 Changes within the specification of the contract to adjust the approach to service provision will seek to reduce the level of insurance claim risk in the future. Due to the speed at which insurance claims in this area progress it is unlikely that the success of these changes will be ascertained until the end of the proposed initial contract term.
- 4.4 The Commissioning and Procurement Board anticipates that revisions to the specification will enable from 2018/19 annual insurance claim savings of £55k.

5.0 Legal Implications

- 5.1 The value of this contract over its lifetime is higher than the EU threshold for service contracts and the award of the contract is therefore governed by the Public Procurement Regulations 2015 (the "EU Regulations"). A restricted, or two stage, procurement procedure has been used to procure this contract in accordance with the requirements of the EU Regulations.

- 5.2 The award is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations and as such Cabinet approval is required for award.
- 5.3 The Council is also required under the EU Regulations to observe the mandatory minimum 10 calendar day standstill period. Therefore once the Cabinet has determined which tenderer should be awarded the contract, all tenderers will be issued with written notification of the contract award decision. As soon as possible after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the contract can commence.
- 5.4 In order to use the Roe Green depot a lease would need to be entered into and excluded from the Landlord and Tenant Act 1954 to ensure that the successful tenderer does not acquire security of tenure. The lease would need to run coterminous with the Contract.

6.0 Equality Implications

- 6.1 An Equalities Analysis screening exercise has been undertaken. No significant diversity implications for any protected groups have been identified arising from the decisions recommended in this report.
- 6.2 One of the purposes of programmed ground works maintenance is to ensure that the Council can meet its statutory requirement to keep footways clear for all users.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 The Lead Member was consulted when seeking authority to tender the contract. The contract is borough-wide and therefore consultation in respect of specific wards was not considered appropriate.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract.
- 8.2 Roe Green Park depot was offered as a potential depot site to Tenderers, for the local storage of equipment and vehicles. The tender documentation stated that the successful tenderer would need to secure relevant permission for the installation of any storage or staff facilities that they require, and any expenditure on creating a depot facility would be at the contractor's liability.
- 8.3 Tenderer A, namely Gristwood and Toms Ltd has its own depot facility to operate the contract. However, they have indicated that they wish to discuss the option of potentially utilising the Roe Green park depot

subject to further discussion on the level of capital works required. This will be discussed during contract mobilisation.

9.0 Public Services (Social Value) Act 2012

- 9.1 In procuring the contract, Officers have had regard to the Public Services (Social Value) Act 2012. Social Value was one of the evaluation criteria used to evaluate bids. Tenderers were invited to propose initiatives as part of their bid for supporting local communities, local businesses and the local environment. The preferred tenderer has indicated that it will undertake partnership projects involving schools, initiate community engagement programmes and sponsor neighbourhood environmental initiatives. It will also promote employment opportunities, skills development and training for local residents that will promote carbon reduction and environmental sustainability. The submission included detailed costed examples of these initiatives.

Report sign off:

AMAR DAVE

Strategic Director of Regeneration and Environment