

# **FAREHAM**

## **BOROUGH COUNCIL**

### **Report to Streetscene Policy Development and Review Panel**

**Date**                    **2 March 2017**

**Report of:**           **Director of Operations**

**Subject:**            **HEDGE CUTTING CONTRACT REVIEW**

#### **SUMMARY**

The purpose of this report is to inform the Panel of the contractor's performance to date and to note the options regarding the future delivery of the service.

#### **RECOMMENDATION**

That the Panel notes the content of this report.

## **INTRODUCTION**

1. The current contract to maintain the hedges, rural grass and sports pitches was awarded to The Landscape Group Ltd (now idverde). In June 2014.
2. The contract commenced in July 2014 for a three year period with an option to extend the term for up to a further two years by mutual agreement.
3. The contract covers the maintenance of approximately 46 kilometres of hedgerows that are cut on two occasions per annum and the renovation and aeration of the Council's 26 winter sports pitches. The contract also includes 76,000 square metres of rural grass that is cut on two occasions per annum.

## **KEY PERFORMANCE AREAS**

4. The contractor's performance can be measured in three key areas; service delivery, customer service and business process.
5. Service delivery has been steady with almost all of the work completed on or before the due time. However, not all work has been completed to the contract specification. This was mainly regarding the hedge cutting element of the contract with some of the hedges cut back too hard or not fully completed. Although no formal Default Notices have been issued to date, the contractor has been taken to task on a number of occasions and instructed to improve in this regard.
6. Customer service has continued to be noted as good in relation to responding to customer issues that have been raised but the number of complaints received remains higher than expected at this stage of the contract term.
7. The contractor's business process continues to meet expectations with regular updated progress reports and accurate invoicing and scheduling.
8. As a result of the steady performance of the contractor over the two and a half years to date the current contractual arrangement has been extended for one more year. This extension has been agreed by both parties and allows Officers to explore the best option for the Council going forward as part of the current Vanguard review of grounds maintenance that commenced in January of this year.

## **FUTURE OPTIONS**

9. There are three most likely options for the future service delivery, although other options may be considered as part of the on-going Vanguard review of grounds maintenance.
10. Option 1 - to extend the current arrangement with idverde for the final year of the two year maximum term permissible under the contract terms and conditions. This option provides continuity and financial stability for a further 12 months.
11. Option 2 – to re-tender the contract and once more test the market. This option could have both negative and positive outcomes as although it is possible that a saving could be made it is far more likely that costs would increase. There is no certainty that a new contractor would perform better than the existing one and there would be the possibility of early mobilisation and familiarity issues that are quite often associated with new contracts.

12. Option 3 – to return the work in house. The additional staff employed would improve team resilience and give more direct control of the work to the Council. This option would remove the need for the tendering of contracts and the associated paperwork such as invoicing that involves Council staff across more than one department. However, there would be a need for an initial capital investment for the required tools, equipment, machinery and vehicles.

## **RISK ASSESSMENT**

13. There are no significant risk considerations in relation to this report

## **CONCLUSION**

14. The current contractor's performance has been satisfactory throughout the near three year term. As a result of this performance and the commencement of the Vanguard review of grounds maintenance earlier this year the current contractual arrangement has been extended by one year. This extension will allow the present agreement to continue until June 2018 and allow time for the Vanguard review of the grounds service to be completed before any decision is made on the future provision of this service,

### **Background Papers:**

Tender Documents. Exempt by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

### **Reference Papers:**

### **Enquiries:**

For further information on this report please contact Mick Gore. (Ext. 4459)