

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 April 2014

Portfolio:	Streetscene
Subject:	Award of Tender for Hedge and Sports Ground Maintenance
Report of:	Director of Street Scene
Strategy/Policy:	Procurement
Corporate Objective:	A dynamic, prudent, progressive and best value Council

Purpose:

To approve the letting of a contract for hedge and sports grounds maintenance for a 5 year term commencing July 2014.

Executive summary:

The current contract to maintain the hedges and sport grounds was awarded to The Landscape Group Ltd. in July 2011 and is due to end in June 2014. A new contract has been tendered for a three year period with an option to extend for a further two years.

The Tender was advertised on the South East Business Portal and eight companies returned a compliant pre-qualification submission. The submissions were scored according to financial information, business practices, business standing, relevant experiences, references and contract specific questions. The five highest scoring companies were selected for invitation to tender.

Four tenders were received and the companies were each invited in to the Council to give a presentation to key officers on their bid. The tender returns were then scored on price, quality, customer service, health & safety and service delivery. The company achieving the highest combined score was the Council's incumbent contractor, The Landscape Group Ltd.

Recommendation:

That the contract for hedge and sports grounds maintenance over a 5 year term commencing July 2014 is awarded to The Landscape Group Ltd.

Reason:

The Landscape Group Ltd. achieved the highest combined score based on cost, quality and service.

Cost of proposals:

The cost for year one of the contract is £72,000 with the cost reviewed at each anniversary to be adjusted by a percentage equal to the mean percentage change in the Consumer Price Index over the previous Contract Year.

An increase of £22,000 in the annual grounds maintenance revenue budget will be required.

Appendix A: Cost Breakdown of Tenders
(Exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

Background papers: Tender Documents
(Exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

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Executive Briefing Paper

Date: 7 April 2014

Subject: Award of Tender for Hedge and Sports Ground Maintenance

Briefing by: Director of Street Scene

Portfolio: Streetscene

INTRODUCTION

1. In July 2011 the current contract for the provision of hedge and sports ground maintenance was awarded to The Landscape Group Ltd. for a three year term with an option to extend for a further two years.
2. The contract covers the maintenance of approximately 37 kilometres of hedgerows located throughout the Borough in cemeteries, Housing areas, open spaces and on Hampshire Highway land adjacent to roadsides and greenways. The contract also includes approximately 76,000 square metres of rural grass cutting and the renovation and aeration of the Council's winter sports pitches.
3. The Council's incumbent contractor, The Landscape Group Ltd. was appointed through a competitive tender process in 2011 having achieved the highest combined score in an analysis matrix comprising cost, quality and service delivery.
4. Following a difficult settling in period for the current contractor, that led to a number of complaints from customers, Streetscene Officers and the contractor's management team worked together to improve the information available for both parties and put in place a settled and experienced team working on the contract. This partnership approach resulted in significant progress with the contractor's performance and both the quality of the service and the time taken to complete the scheduled work improved.
5. As a result of the significant improvement in the contractor's performance a discussion took place between the Landscape Group's senior management and Officers of the Council regarding the potential to extend the contract term in line with the terms and conditions of the current contract. However, the Landscape Group's admission that they were losing money on the agreement and could only extend the terms with a significant increase in their schedule of rates meant that the Council had little option but to once again test the market and therefore, re-tender the contract.

TENDER PROCESS

6. During autumn 2013 officers completed a thorough review of the existing contract documents and site information in preparation for the new tender process. The expression of interest stage was advertised on the South East Business Portal for a period of 30 days from 9 December 2013.
7. Due to the value of the contract exceeding the EU threshold of £173,934 for goods and services the contract was required to be advertised following the EU Tender – OJEU Restricted Procedure.
8. On the deadline date of 8 January 2014 a total of eight expressions of interest submissions had been received. The submissions were scored according to financial information, business practices, business standing, relevant experiences and references.
9. The five highest scoring companies have been selected to tender and the contract documents were issued to them on 17 January 2014 with a due submission date of 21 February 2014.

The five companies invited to tender were:

- The Landscape Group Ltd (The Council's current contractor)
 - ISS Facility Services – Landscaping (A national grounds maintenance contractor)
 - G Burley & Sons Ltd (A national grounds maintenance contractor)
 - PJ & CM Froud (The Council's previous contractor. A small sized company based in the South)
 - Grasstex Ltd (A small sized company based in the South)
10. The above named companies provided a good balance of potential suppliers with two small local and three large national tenderers, two of whom have experience of the contract. This range of companies provided the Council with a good market response to the tender process.

RETURNED TENDERS

11. Four Tenders were received from; The Landscape Group Ltd, G Burley & Sons Ltd, PJ & CM Froud and Grasstex Ltd. The Tenders were scored using a cost, quality and service delivery matrix similar to the 2011 assessment however, on this occasion the scores were adjusted to place greater emphasis on the quality and service provision elements. This ensured that the assessment could take into account the importance of the quality components of the bid in equal measure to the cost of providing the service. This change was implemented to reduce the potential for a contractor to bid too low for the contract and then be unable to fulfil all the contract terms and conditions without making a loss and/or cutting corners on service delivery.

12. The evaluation scoring was split into two main elements comprising cost and service delivery as shown in the below table and weighted as follows:

- Cost 50%
- Quality of service 30%
- Working procedures 10%
- Safe working practices and procedures 10%

Rank	Company	Cost score Max(50)	Service, safety & quality score (Max 50)	Total score (Max 100)
1.	The Landscape Group Ltd	37	50	87
2.	Grasstex Ltd	50	35	85
3.	PJ & CM Froud	34	49	83
4.	G Burley & Sons Ltd	39	38	77

13. Although the price bid by both Grasstex and Burley (Appendix A) is lower than that of The Landscape Group, when the service and quality scores were added, The Landscape Group scored highest.
14. The price bid by Grasstex was far lower than the other three submissions however, the quality score was also the lowest of the four submissions and following the post tender presentation it was agreed by the officers present that the Grasstex bid would struggle to meet the Council's expectations of service delivery and quality.
15. PJ & CM Froud scored well for quality but is the highest returned price of the four tenders received.
16. Comparing the two mid-range bids confirmed Burley's price was slightly lower than The Landscape Group but the service and quality score was significantly lower and therefore, placed Burleys in last position overall in the evaluation matrix.

FINANCIAL IMPLICATIONS

17. The cost of the contract will be £72,000 per annum therefore, an increase is required over the previous Hedge & Sport Contract of £22,000.
18. Officers have calculated that the service would cost approximately £80,000 per annum to provide in house if delivered by the Council's grounds maintenance team.

CONCLUSION

19. Having achieved the highest combined tender assessment score based on cost, quality and service and it is recommended that the Executive approve the award of contract to The Landscape Group Ltd.
20. Additional £22,000 will be required for the grounds maintenance revenue budget to meet the predicted shortfall in the £72,000 per annum total cost of the tender. As stated in the terms of the contract, the cost is reviewed at each anniversary and will need to be adjusted by a percentage equal to the mean percentage change in the Consumer Price Index over the previous Contract Year.

Reference Papers: Tender documents
(Exempt by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)