

**GROUNDS MAINTENANCE CLEANING AND ARBORICULTURAL CONTRACTS  
REPROCUREMENT**

*To:* **Commercial & Investment Committee**

*Meeting Date:* **15 September 2017**

*From:* **Deputy Chief Executive**

*Electoral division(s):* **All**

*Forward Plan ref:* **2017/043** *Key decision:* **Yes**

*Purpose:* **The committee is being asked to consider a proposal for the reprocurement of the Council's cleaning, grounds maintenance and arboriculture service contracts.**

*Recommendation:* **It is recommended that the Committee agree that officers to the retendering of the three existing contracts for cleaning, grounds maintenance and arboricultural services via an OJEU compliant competitive procurement process resulting in a single supplier framework agreement covering all services allowing CCC, other LGSS clients and local districts and boroughs the option to call off individual contracts as required over the 4 year framework term.**

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## **1. BACKGROUND**

- 1.1 The Council currently have three separate contracts for the delivery of grounds maintenance, arboricultural and cleaning services.
- 1.2 The existing cleaning services framework expired in December 2016 however CCC have a call-off contract in place until 31<sup>st</sup> December 2017. The contract value is approximately £1.1m pa.
- 1.3 The grounds maintenance contract has expired with an interim contract now in place under the exemption process. This contract also expires on 31<sup>st</sup> December 2017. The contract value is estimated at £75k pa.
- 1.4 A separate framework is in place for the delivery of arboricultural and major tree works. This contract expires on 28<sup>th</sup> February 2018. The value of this contract is c£140k pa.
- 1.5 The total value for all three contracts is estimated at £1,315,000 per annum.
- 1.6 This proposal recommends the Council aggregate these three service elements into one single procurement exercise in order to provide the best opportunity of securing value for money and to reduce the costs of procurement compared of having three separate procurement exercises. By awarding a Framework Agreement, there is an additional benefit to the neighbouring public sector contracting authorities as they too will have the option to call off from the Framework, thus avoiding procurement costs and benefiting from better economies of scale.

## **2. MAIN ISSUES**

- 2.1 The Council's existing, separate contracts, for both cleaning services and grounds maintenance have expired and whilst interim arrangements have been put in place they too will conclude on 31<sup>st</sup> December 2017. A contract for arboricultural services expires in February 2018. If a contract is not awarded prior to the end date of the existing contract the Council will be exposed to unacceptable contract risk which may result in disruption to service and commercial implications.
- 2.2 The Council therefore needs to plan for the continued delivery of these services beyond these dates and market analysis has identified an opportunity to aggregate these three services into one single procurement process. This recognises established practice in this service sector and recognises a strong market exists for services packaged in this way.
- 2.3 Additionally if procured separately two of the three contracts would be subject to full OJEU tender processes, it is therefore the case that a single procurement would reduce costs to the Council.
- 2.4 External contractors have provided these service areas for some years, so there are no TUPE implications that will affect the Council however, the staff may have to transfer from the existing contractor to the successful provider.
- 2.5 The Council has managed the cleaning contract (the larger of the two contracts) well over the years and has worked with the incumbent provider to ensure Council buildings have a

high standard of cleanliness and the cleaning staff largely go unnoticed as they go about their duties with an efficient and polite manner. This high level of service is to be maintained with any new provider.

2.7 The adoption of a procurement strategy to consolidate requirements increasing the size of a contract with a single provider can seem to be counter to the Council's responsibility to making contracts available to SMEs. In this instance, the tender has been designed such that a sub-contracting arrangement can be put in place to allow local SMEs to bid as consortia or have the option of working as a sub-contractor to the primary contractor. The main contractor may also employ from the local labour market. A larger employer can offer better job security and benefits of training and social value back into the community, having a broader regional operational footprint also increases the opportunity for staff to work across the region.

2.8 Set out below is the proposed procurement time table.

Target Date	Activity
25/08/2017	OJEU notice published with SQ made available to Potential Providers.
08/09/2017	Deadline for Clarification Questions
25/09/2017	Deadline for SQ Return Date
9/10/2017	Evaluation of SQs completed
16/10/2017	Invitation to tender issued to qualified Potential Providers
tbc	Site Visits
14/11/2017	Tender Return Date
30/11/2017	Evaluation of tenders completed.
11/12/2017	Alcatel 10 day standstill period
12/12/2017	Contract Award.

### 3. ALIGNMENT WITH CORPORATE PRIORITIES

Report authors should evaluate the proposal(s) in light of their alignment with the following three Corporate Priorities.

#### 3.1 Developing the local economy for the benefit of all

Whilst a higher contract value and expanded scope may lift smaller local firms' appetite to bid the following points are of note:

- The tender can be drafted to allow sub-contracting arrangements to be available which would allow local firms to take part
- Larger firms will recruit from the local workforce to deliver contracts
- Larger firms typically have a higher level of investment in staff development and community value

#### 3.2 Helping people live healthy and independent lives

There are no significant implications for this priority

**3.3 Supporting and protecting vulnerable people**  
There are no significant implications for this priority

**4. SIGNIFICANT IMPLICATIONS**

**4.1 Resource Implications**

The Chief Finance Officer has been engaged in the development of this approach to procurement and has provided guidance and support. It is anticipated that by creating a broader basket of services within the single procurement process that this will lead to an overall saving in the cost of these services. Furthermore the on-going contract management of the contract will be more efficient.

**4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

This procurement will be over the applicable threshold as set out in the Public Contracts Regulations (PCR15) for services. Therefore the procurement procedure must comply with these regulations. The creation of a framework agreements set out within Section 4, regulation 33 of PCR15. The proposed procurement plan will comply with all relevant legislation.

Currently the contractual arrangements are covered by existing contracts or approved exemptions to the contract procedures. In the event of the existing arrangements lapsing, or the procurement procedure being delayed, the Council will be operating "out of contract" which may breach the Council's contract procedures and poses an operational and financial risk.

**4.3 Statutory, Legal and Risk Implications**

LGSS Law have been engaged in the development of the relevant contractual documentation.

**4.4 Equality and Diversity Implications**

There are no significant implications for this priority

**4.5 Engagement and Communications Implications**

There are no significant implications for this priority

**4.6 Localism and Local Member Involvement**

There are no significant implications for this priority

**4.7 Public Health Implications**

There are no significant implications for this priority

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon

<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?</b>	Yes Name of Financial Officer:
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Name of Legal Officer: Karen White
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes or No Name of Officer:
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes or No Name of Officer:
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes or No Name of Officer:
<b>Have any Public Health implications been cleared by Public Health</b>	Yes or No Name of Officer:

Please include the table at the end of your report so that the Chief Executive/Executive Directors/Directors clearing the reports and the public are aware that you have cleared each implication with the relevant Team.

<b>Source Documents</b>	<b>Location</b>
<b>Existing contract documents and supporting specification for the Grounds Maintenance, Cleaning and Arboricultural Services.</b>	Property Services Octagon Floor 2 Shire Hall, Cambridge