

Decision Maker: EXECUTIVE

**For Pre-Decision Scrutiny by the Environment and Community Services
PDS Committee on:**

Date: 20th November 2018

Decision Type: Non-Urgent Executive Key

Title: AWARD OF CONTRACT FOR ARBORICULTURAL SERVICES

Contact Officer: Peter McCready, Strategic Commissioner (Environment)
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Chief Officer: Nigel Davies, Executive Director of Environment and Community Services

Ward: Borough Wide

1. Reason for report

- 1.1. This report provides details of the tenders received for the Arboricultural Services Contract 2019 and makes recommendations for the award of contract.
 - 1.2. This report accompanies a Part 2 report also being considered on this agenda.
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2. RECOMMENDATIONS

2.1 **Members of the Environment & Community Services PDS Committee are asked to review and provide their comments on the proposal for the award of the Arboricultural Services contract, to the Executive for their consideration.**

2.2 **The Executive are asked to:**

- (i) **Award the Arboricultural Services contract for a contract period of 8 years from 1st April 2019, with the option to extend for a further two 4 year periods.**
- (ii) **Delegate the option to extend the contract, under the terms of the contract, to the Executive Director of Environmental and Community Services in consultation with the Director of Commissioning, the Director of Corporate Services, the Director of Finance and the Environment Portfolio Holder.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Arboricultural Services are used by all residents, including vulnerable adults and children. Protection is not their primary purpose but adjustments are made, as required, to ensure services are as accessible as possible and all users are safe.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment:
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Financial

1. Cost of proposal: Included within Part 2 Report
 2. Ongoing costs: Included within Part 2 Report
 3. Budget head/performance centre: Tree Maintenance
 4. Total current budget for this head: £533.8k
 5. Source of funding: Existing controllable revenue budget for 2019/20
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Personnel

1. Number of staff (current and additional): 5FTE's
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement: The Highways Act 1980 imposed on the London Borough of Bromley a duty of care to maintain all trees on the street in a safe condition, which includes routine maintenance.
 2. Call-in: Applicable:
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Procurement

1. Summary of Procurement Implications: The tendering process was through a restricted procedure with a two stage process e.g. pre-selection and invitation to tender.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough wide
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: n/a

3. COMMENTARY

- 3.1 The primary purpose of the Arboricultural Maintenance contract is to maintain the Council's tree stock across the borough, which includes street trees, school trees, trees in woodlands and trees in conservation sites. The Council takes direct responsibility for inspecting trees to identify those requiring any remedial work, removal or replacement under the requirements of contract resources. The borough has the largest number of street and park trees in London, and is also home to two thirds of London's woodlands; this is particularly valued by Bromley's residents, visitors and Council Members.
- 3.2 The existing contract supports the Council's 2016-2020 arboricultural strategy, which sets out to manage publicly-owned tree resources through good arboricultural practices.
- 3.3 The current contract was let on 18th July 2008 for a total of nine-years to Gristwood & Toms as the most economically advantageous tender; this contract was then extended with Executive Committee approval for period of twenty months (Report No. ES16049), to 31 March 2019, to enable contract end to align with the repackaging and tendering of all SS&GS Environmental Services contracts, due to commence from Spring 2019.
- 3.4 On the 8th February 2017 the Executive agreed the lotting structure and procurement route for the Environmental Services Contracts, which included the Arboricultural Services contract as Lot 5 being tendered under a standard restricted process. Arboricultural Services were subsequently tendered separately to the other Environmental Services contracts but using the agreed procurement route.
- 3.5 The proposed contract term for the 2019 Arboricultural Services contract will be based upon an initial eight year period with effect from 1 April 2019, with an option to extend for a further two four year periods, not exceeding eight years, subject to the performance of the service provider. This contract would then again align with a co-terminus procurement strategy with other Environmental Services contract renewals, including Grounds Maintenance, in order to allow consideration of, or to achieve any planned re-modelling options for environmental contracts at that time.
- 3.6 The contract is based upon the same Conditions of Contract format as the 2019 Environmental Services Contracts (e.g. Waste Disposal, Waste Collection, Street Environment, Parks Management & Grounds Maintenance), in order to provide a consistent approach to contract management and uniformity in the methodology of monitoring contractual performance.
- 3.7 The tender evaluation and award criteria comprises of a 40% quality and 60% price split, based on indicative quantities of work for one typical year.

Tender Evaluation

- 3.8 The selection criteria tender process (short listing) consisted of two stages, with the Selection Questionnaire (SQ), being stage 1, and consideration of the invited provider's submissions being stage 2. The Selection Questionnaire stage was published on 10th July 2018, with Supplier evaluation and shortlisting completed in August, with providers then invited to tender on 6th September 2018, with submissions originally requested to be returned on 23rd October 2018. This was subsequently extended to 31st October 2018.
- 3.9 Seven service providers submitted applications for the SQ, Stage 1 process.
- 3.10 The top three scoring organisations were invited to bid for the Stage 2 process via the Council's Due North portal in September 2018, in accordance with London Borough of Bromley's requirements.

- 3.11 Two compliant bids were received. In accordance with CPR 14.10 authority to proceed was obtained from both the Director of Resources and Director of Finance, in order to continue the evaluation of the two bids.
- 3.12 The Council agreed a 60% Finance and 40% Quality evaluation criteria for the evaluation of the initial tenders, with agreed qualitative criteria for the 40% score broken down as follows:-

	%
1 Financial Resources and Contract affordability	10
2 General Data Protection Regulations (GDPR) & Information Governance	5
3 Quality and Operational competence	20
4 Service Delivery & Sustainability	25
5 Technical Ability	20
6 Health & Safety and Risk Management	15
7 Social Value	5
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	100

- 3.13 As part of the evaluation, officers corresponded with the providers on elements of their bids to clarify any areas of uncertainty or corrections required.
- 3.14 Both tenders had been evaluated in accordance with Bromley's recommended procurement process. Marks were awarded for each tenderer's quality submission by a panel selected from an officer Project Group, including a Strategic Commissioner (Environment) Head of Finance, and two officers from the Service (including Contract Manager). The marks were converted to a score according to their weighting and added to a score derived from the financial bids.
- 3.15 Full details of the qualitative and financial evaluation are set out in the associated Part 2 report on the meeting's agenda.

4. IMPACT ON VULNERABLE ADULTS & CHILDREN

- 4.1 Arboricultural services affect the daily lives of all Bromley residents and tend to be universal in nature - rather than being directed at particular groups within our community. Where vulnerable adults or children may be affected by service delivery, the issues would be covered in the relevant report and not in this business management overview.

5. POLICY IMPLICATIONS

- 5.1 The borough's tree stock has a high profile and is valued by Bromley's residents, visitors and Council Members. Maintaining these assets to an appropriate standard will contribute to the Council's vision of providing a place where people choose to live and do business and links well with policy priorities of a quality environment, vibrant thriving town centres and supporting independence/safer communities.
- 5.2 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to provide efficient & effective services and value for money to its residents.
- 5.3 The Environment Portfolio Plan 2016-19 identifies commencement of a programme of activity to commission Environment Services.

6. FINANCIAL IMPLICATIONS

6.1 Please see Part 2 (Exempt) Report for further details on the financial implications.

7. LEGAL IMPLICATIONS

- 7.1 This report seeks the approval of the Executive to award a contract to provide arboriculture services within the Bromley borough.
- 7.2 The Contract is for a period of 8 years with an option to extend for two further periods of 4 years at the discretion of the Council commencing on 1st April 2019.
- 7.3 The tender process was carried out pursuant to the Public Contracts Regulations 2015, procuring the contracts using the restrictive procedure which is a compliant procedure under Regulation 28 and Regulation 65. The requisite minimum numbers of qualified candidates were available at the end stage 1 as per Regulation 65(3); there were seven in this tender, three candidates were invited to submit tenders for the service.
- 7.4 Once the contract award is formally made by award letter, the usual 10 days' 'Alcatel' standstill period applies before the contract can be entered into; a contract award notice must be published in the usual way, and unsuccessful bidders notified with the statutory details.
- 7.5 The report author will need to consult with the Legal Department regarding the execution of the contract.

8. PROCUREMENT IMPLICATIONS

- 8.1 The Tender process for the Arboricultural Service Contract was conducted in accordance with the Council's Financial Regulations and Contract Procedure Rules and in compliance with the requirements of the Public Contract Regulation 2015.
- 8.2 As identified in the Contract OJEU Notice, the evaluation of submitted tenders has been completed in line with the Councils standard tender evaluation procedure, which views financial and quality matters in line with its pre-tender estimate of value, and its stated quality criteria. A minimum quality score was also incorporated into the evaluation process in viewing and considering quality matters.
- 8.3 The tenders were evaluated by a number of Client officers with scoring being overviewed and moderated, as necessary by a member of the Corporate Procurement Division in order to arrive at a consensus score for the panel.
- 8.4 Once the Council has made its decision, the Authority will issue the appropriate Award Notices, observe the mandatory Standstill Period and issue an OJEU and Contract Finder Award Notice as provided for in the Public Contract Regulations 2015.

Non-Applicable Sections:	PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	Report No. ES16049 Executive Committee – Procurement Strategy Arboricultural Services 2017-2019