
Decision Maker: EXECUTIVE

**PRE-DECISION SCRUTINY BY THE ENVIRONMENT &
COMMUNITY SERVICES POLICY DEVELOPMENT AND
SCRUTINY COMMITTEE**

Date: Wednesday 10 July 2024
Wednesday 12 June 2024

Decision Type: Non-Urgent Executive Key Non-Key

Title: CONTRACT AWARDS FOR ADDITIONAL ARBORICULTURAL
SERVICES SUPPLIERS

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Chief Officer: Director of Environment and Public Protection

Ward: All

1. Reason for decision/report and options

- 1.1 Following approval by the Executive to procure additional suppliers to supplement the existing supply chain arrangements for arboricultural services (**ES20282**), this report details the outcome of the tender process and recommends the award of four area-based contracts and the establishment of a framework.
- 1.2 This report is accompanied by a Part 2 report of the same title, which provides further commercially sensitive information relevant to the recommendations in this report, including the names of the winning bidders, the scores awarded and the estimated contract values.

2. **RECOMMENDATION(S)**

The Environment & Community Services Policy Development and Scrutiny Committee are asked to:

- 2.1 **Review the report and provide their comments to the Executive for their consideration.**

The Executive are asked to:

- 2.2 Approve the award of the contracts for Lots 1 – 4 to the providers named in the Part 2 Report in accordance with the detailed recommendations set out in the accompanying Part 2 report, noting that the contracts will commence on 1st September 2024 for a period of 3 years with the option to extend for a further period of up to one year.**
- 2.3 Agree to appoint contractors to a framework for aboricultural services in accordance with the detailed recommendations set out in the Part 2 report. The framework will commence on 1st September 2024 for a period of 3 years with the option to extend for a further period of up to one year.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The health benefits provided by trees are particularly important for adults and young people suffering from mental illness or respiratory disease.
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Transformation Policy

1. Policy Status: Existing Policy: Tree Management Strategy 2023 - 2027
2. Making Bromley Even Better Priority:

(4) For residents to live responsibly and prosper in a safe, clean, and green environment great for today and a sustainable future.

(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

Financial

1. Cost of proposal: These are set out in the Part 2 report.
 2. Ongoing costs: These are set out in the Part 2 report.
 3. Budget head/performance centre: Arboriculture Management R06800
 4. Total current budget for this head: £847k, 2024-2025 Revenue controllable budgets
 5. Source of funding: Revenue budgets and Earmarked Reserves- Arboriculture Backlog Fund
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Personnel

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

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: The actions proposed in this report are compliant with the Council's CPRs and PCR 2015.
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Property

1. Summary of Property Implications: N/A
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Carbon reduction and social value implications were assessed as part of the qualitative evaluation of tenders.
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Impact on the Local Economy

1. Summary of Local Economy Implications: The economic benefits that well managed trees provide are set out in the Council's Tree Management Strategy.
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Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Well-managed trees provide many benefits to health and wellbeing.
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Customer Impact

1. Estimated number of users or customers (*current and projected*): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1. On 20th November 2018, the Executive agreed to award the arboricultural services contract to Glendale Countryside Ltd for a contract period of 8 years, with the option to extend for a further two 4-year periods, for a total contract sum of £4.27m, (£8.54m over 16 years) (ES18077). This award followed a competitive two-stage tender process; the first stage used a Selection Questionnaire to agree a shortlist of tenderers, followed by the evaluation of the invited bidders during the second stage. This procurement was authorised by the Executive in February 2017 (ES17002).
- 3.2. The primary purpose of the contract is for the maintenance of the borough's tree stock, including street trees, park trees and trees in council managed woodlands and conservation sites. Works are identified and instructed by the Council's tree officers through a triennial programme of inspections and in accordance with the adopted Tree Management Strategy. Jobs are also raised through the emergency call out process. The contract with Glendale was designed to allow for a variable quantum of work with costs based on the application of a schedule of rates. When jobs are raised, they are assigned a priority rating which determine the contractual timeframe for completion.
- 3.3. There have been issues with Glendale's performance which have been documented through the annual contract performance reports (most recently ES20298) and the quarterly performance overview reports (most recently ES20367) presented to the Environment & Community Services PDS Committee.
- 3.4. On 5th July 2023, the Executive agreed to the procurement of additional suppliers to supplement the arrangements for arboricultural services with Glendale Ltd on a regular and ongoing basis and agreed to adopt a lotting strategy to procure multiple suppliers. It was agreed that demand would be split across four geographical lots, with no one contractor being awarded more than one of these area-based contracts.
- 3.5. The lotting strategy for the tender was as below, and included a fifth lot to establish a framework of contractors that would add further resilience:

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| Lot 1 | Area based contract for a single supplier: Beckenham Town & Copers Cope Clock House Crystal Palace & Anerley Kelsey & Eden Park Penge & Cator Shortlands & Park Langley |
| Lot 2 | Area based contract for a single supplier: Bickley & Sundridge Bromley Common & Holwood Bromley Town Mottingham Petts Wood & Knoll Plaistow |
| Lot 3 | Area based contract for a single supplier: Chelsfield Chislehurst |

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|-------|--|
| | Orpington St Mary Cray St Paul's Cray |
| Lot 4 | Area based contract for a single supplier: Biggin Hill Darwin Farnborough & Crofton Hayes & Coney Hall West Wickham |
| Lot 5 | Framework for ad hoc packages of work with multiple suppliers appointed to cover the whole borough. |

- 3.6. The area based lots have been determined to apportion a comparable number of trees in each area to each contractor and mirrors the areas assigned to the Council's Tree Officers who undertake the triennial inspection programme and generate work requests. Lot 5 creates a framework of suppliers which can be called on for pre-determined packages of ad hoc work and will create an additional level of resilience into the supply chain should extra resources be needed to deal with, for example, storm events and subsequent clean-up activities.
- 3.7. It was agreed that the tender for these lots would be advertised through an open tender process and delivered in accordance with the Council's Contract Procedure Rules. It was agreed that tenders would be evaluated based on a 60:40 split of price and quality with the winning bidders being those that submitted the Most Economically Advantageous Tender (MEAT).
- 3.8. Before advertising the tender, two sets of contract documentation were prepared; one for the area-based lots, and one for the framework. Learning from the existing contract was reviewed and incorporated into the new contract documentation; this included a review of the Performance Management Framework, Specification and Pricing Document.

4. CONTRACT AWARD RECOMMENDATION

Tender Summary

- 4.1. The procurement was undertaken through the Proactis e-tendering system. The tender was published using Contracts Finder on 6th February 2024, and the deadline for tenders was 7th March 2024; this was subsequently extended by a week to 14th March 2024. Officers evaluated tenders in March and April 2024.
- 4.2. Ten bidders submitted tenders with these differing across the various lots. This is further set out in the Part 2 report.
- 4.3. As set out in paragraph 3.7, tenders for each lot were evaluated to establish the Most Economically Advantageous Tender with scores awarded for finance and quality, and these were weighted at 60% and 40% respectively which is standard practice.
- 4.4. To evaluate the quality of the tenders, the following criteria and weightings were used:

| Criteria | Weight % |
|---|-----------------|
| Financial Resources & Contract Affordability | 10% |
| GDPR (General Data Protection Regulations) & Information Governance | 5% |
| Quality & Operational Competence | 20% |
| Service Delivery & Sustainability | 25% |
| Technical Ability | 20% |
| Health & Safety and Risk Management | 15% |
| Social Value | 5% |

- 4.5. Scores were awarded for each bidders' quality submission by a panel which included the Assistant Director, Environment (Carbon Management & Greenspace), Greenspace Contracts and Programmes Manager and Arboricultural Services Manager, with additional support provided by the rest of the project team which included the Senior Accountant (Environment & Corporate Services) and was facilitated by the Senior Procurement Officer. The weightings were then applied to the scores and added to a score derived from the financial evaluation of bids.
- 4.6. As set out in paragraph 3.2, contract costs for Lots 1-4 will vary depending on a number of factors; works are carried out to trees to manage the Council's statutory and other responsibilities in terms of the maintenance of its tree stock and in accordance with the adopted Tree Management Policy. The quantum and value of works orders being placed with contractors is therefore variable, and the contract values are for this reason only estimates at award stage. To manage this unpredictability, the contract is based on a works being priced in a Schedule of Rates, and these rates being used in relation to jobs as and when they are raised during the term of the contract. To evaluate the tenders for Lots 1-4, a notional 'basket of goods' has been applied to these rates for the purposes of evaluation only; it has been made clear to bidders through the tender documents that these volumes are not indicative volumes or any guarantee of work. This has produced a value that can be scored in accordance with the Council's standard processes and is based on an average of all prices received.
- 4.7. The contract costs for Lot 5 will be likewise variable depending on the requirement for any ad hoc or additional packages of work that are identified by the Council during the term of the framework. To commission works from Lot 5, the options are:
- To make a direct award to the supplier whose tendered rates are the lowest for any given package of works, and where the supplier has availability to deliver the works in accordance with the specified programme. If the cheapest supplier is not available, works may be awarded to the next cheapest supplier, and so on.
 - To run a mini competition for a requirement, where bidders can opt in to bid and may provide additional qualitative information (if required) or ad hoc prices, to be evaluated in accordance with the rules of the framework.

- 4.8. The same process as described in paragraph 4.5 was used to produce a financial score for Lot 5 bidders, but any bidder that achieved a pass mark for their tender could be appointed to the framework.
- 4.9. The scores awarded to each bidder for each Lot are set out in the accompanying Part 2 report.
- 4.10. The tender was designed so that for Lots 1-4, subject to the number of tenders received, only one lot would be awarded to an individual supplier, with the aim that each lot would be won by a different supplier. Bidders applying for multiple lots were therefore asked to provide their order of preference for each Lot, so if they were the Most Economically Advantageous Tender for more than one Lot, they would choose the Lot they wanted to be awarded, and the other Lot(s) would be awarded to the next Most Economically Advantageous Tender(s).
- 4.11. Once these preferences had been applied, a supplier for each of Lots 1-4 was identified as the winning bidder and it is recommended that contracts are awarded, as set out in the accompanying Part 2 report.
- 4.12. Seven bidders received an acceptable score in relation to Lot 5 and it is recommended that these suppliers (also identified in the accompanying Part 2 report) are appointed to the framework.

Key Performance Indicators

- 4.13. Contracts for Lots 1 – 4 obligate the supplier to complete jobs raised by the Council within contractually specified timeframes, with these timeframes identified through the risk assessment of the Tree Officer raising the works. The Performance Management Framework is based on the format used for all environment contracts, but the specific Key Service Objectives (KSO) and Key Performance Indicators (KPI) have been significantly amended, with the aim of:
- Providing a more detailed overview on performance in relation to jobs under each contractual timeframe.
 - To tailor the corrective action plan process to achieve quicker resolutions, proportionate to the urgency of the job when it was first raised.
 - Allowing the Council to step in at an earlier stage and use a different supplier (via the framework) to undertake works not completed in accordance with corrective action plans, to prevent the build-up of large backlogs of work.
- 4.14. Failure to meet the KSOs or KPIs (key performance indicators) will result in the application of Performance Adjusted Values.
- 4.15. Performance requirements for works that are procured via the framework may be identified for each order on the order form and will be linked to the quality and programming of the works. These will be managed through the application of service omissions and service failures which if triggered require rectification within a reconciliation period, after which the supplier may be subject to the application of a Performance Adjusted Value which is capped at a percentage of the value of the order.

5. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES

- 5.1. In accordance with the Council's Sustainable Procurement commitments, the evaluation criteria for the procurements included qualitative assessment of the social value that suppliers can offer under the contracts. Specifically, bidders were asked to set out their approach to reducing carbon emissions, and under separate evaluation criteria officers assessed suppliers' approach to waste management and the implementation of environmental management systems.

- 5.2. The specification included requirements linked to good practice around the disposals of arisings and waste, with a view to it being reused or recycled where possible for the benefit of local communities.

6. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 6.1. The delivery of arboricultural services affects the lives of all residents. There are several health benefits to a well-managed tree stock, but which are of particular importance to those adults and young people suffering with poor mental health and respiratory illness. Research indicates that spending time around trees reduces depression and anxiety, especially when combined with exercise.

7. TRANSFORMATION/POLICY IMPLICATIONS

- 7.1. The arboricultural services contracted by the Council support the delivery of the ambitions within the Corporate Strategy: Making Bromley Even Better, with the most direct impact on ambition 4 – for residents to live responsibly and prosper in a safe, clean, and green environment, great for today and sustainable for the future. These services will also deliver works in accordance with the adopted Tree Management Strategy 2023 – 2027.
- 7.2. The recommendations to put additional suppliers within the supply chain are part of the Council's risk management strategy to ensure that essential works, such as those required under law, are completed within a reasonable timeframe. Whilst the individual rates for jobs are higher than those enjoyed under the contract with Glendale, the contract is based on a schedule of rates and therefore there is some flexibility to manage works in relation to the budget, albeit that this may in the future require policy changes.

8. FINANCIAL IMPLICATIONS

- 8.1. The financial implications are set out in the accompanying Part 2 report.

9. LEGAL IMPLICATIONS

- 9.1. This report seeks authority to award contracts for the provision of Arboricultural Services for Lots 1 to 4 and Framework Agreements for Lot 5 to the proposed providers listed in the accompanying Part 2 report. The proposed term of the contracts and Framework Agreement are three years with the option to extend for a further period of one year.
- 9.2. The Council is responsible for and therefore has a duty of care under the law for all trees growing on its land including street trees, trees on public open spaces and in woodlands. This duty arises from obligations created under the Occupiers Liability Acts 1957/1984 and the Highways Acts 1980. To discharge this duty the Council must manage the trees on its land to a safe standard. By procuring these services and awarding the proposed contracts, the Council will be fulfilling its duty to do all that is reasonably practical to minimise the risk of people being harmed or property being damaged because of an incident associated with trees on Council property.
- 9.3. As outlined in the Procurement Implications, this is an above threshold contract for services governed by the requirements of the Public Contracts Regulations 2015. An open procedure was undertaken for Lots 1 – 4 and a Framework established in accordance with Regulation 33 for Lot 5. It should be noted that a Framework Agreement under Regulation 33 cannot be for a period of more than 4 years.

9.4. The Procurement Implications also outline the requirements in accordance with the Council’s Contract Procedure Rules, Rule 16 for authorising the award of the contract. Once a decision has been made, if approved, and the standstill period observed, Legal services will assist with finalising and completing with the providers the contracts for Lots 1 – 4 and the Framework Agreements for Lot 5.

10. PROCUREMENT IMPLICATIONS

10.1. This report seeks to award contracts for Lots 1 to 5 for the provision of Arboricultural Services to the Providers detailed in the accompanying Part 2 Report. The Contracts will commence on 1st September 2024 for a period of three (3) years, with the option to extend for a further period of up to one year. The estimated annual and whole life values of each contract are detailed in the Part 2 Report.

10.2. This is a Service Contract and is covered by the Public Contract Regulations 2015. A summary of the consensus scores against the quality criteria for each Lot are set out in the Part 2 Report.

10.3. An open tender process was carried out in line with the requirements of the Public Contract Regulations 2015, and the Council’s Contract Procedure rule 8.2.1.

10.4. The requirements for authorising an award of contract are covered in Contract Procedure Rule 16. For contracts of the value set out in the Part 2 Report, the Approval of Executive is required, following Agreement by the Portfolio Holder, Chief Officer, the Assistant Director Governance & Contracts, the Director of Finance, and the Director of Corporate Services.

10.5. In accordance with Contract Procedure Rule 2.1.2, Officers must take all necessary professional advice.

10.6. Following the decision, a Find A tender Notice will be issued, and as the contract values are over £30,000, an Award Notice will be published on Contracts Finder.

10.7. A statutory Standstill Period will be observed in accordance with the Public Contract Regulations 2015.

10.8. The actions identified in this report are provided for within the Council’s Contract Procedure Rules, and the proposed actions can be completed in compliance with their current content.

11. IMPACT ON THE LOCAL ECONOMY

11.1. The economic benefits that well managed trees provide are set out in the Council’s Tree Management Strategy.

12. IMPACT ON HEALTH AND WELLBEING

12.1. Maintenance decisions in relation to the council’s tree stock are taken to comply with the policies set out in the Tree Management Strategy. These policies are set in the context of the benefits that trees provide to residents’ health and wellbeing and prioritise public safety.

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| Non-Applicable Headings: | Personnel Implications, Property Implications, Ward Councillor Views, Customer Impact |
| Background Documents: (Access via Contact Officer) | Tree Management Strategy 2023 – 2027 ES20367 – ECS Performance Overview |

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| | ES20298 – Glendale Annual Contract Performance Report 2022/23 (Arboricultural Services). ES20282 – Delivery of Arboricultural Services (Part 1 and 2) ES18077 – Award of Contract for Arboricultural Services ES17002 – Environmental Services Procurement Strategy |
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