



EXECUTIVE 11th May 2023

Report Title	Procurement of Grounds Maintenance Consortia Contract
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Lead Member	Councillor Graham Lawman, Executive Member for Highways, Travel & Assets

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

None

1. Purpose of Report

- 1.1. The purpose of this report is to seek approval from the Executive to commence a procurement project for the provision of grounds maintenance services for the legacy East Northants green space locations and for local town and parish councils.

2. Executive Summary

- 2.1. The Council is committed to delivering high quality services and working closely with our Town and Parish Council partners. The Grounds Maintenance Consortia has delivered cost effective grounds maintenance services for the residents in the former East Northamptonshire District since July 2000.
- 2.2. This contract has provided for all the labour, plant and materials for the maintenance of the grounds inclusive of verges cutting (in 30 mph areas),

parks, open spaces, amenity areas, play areas and specialist recreation areas, together with the cemeteries within the contract area.

- 2.3. The current contract will come to an end in December 2023 and the Council has been working with Consortia members to agree a specification for a new contract. The Consortia members have agreed in principle to the continuation of the arrangement under a new contract, subject to the tender price to be received and formal approval from the Executive to progress the contract procurement. An interim contractual arrangement will be required whilst the contract is reprocured.
- 2.4. The client and monitoring function for this service would be provided for through the existing inhouse grounds maintenance team, for which it would receive a management fee of £25,000 per annum.

3. Recommendations

3.1. It is recommended that the Executive:

- a) Delegate authority to the Executive Member for Highways, Travel and Assets, in consultation with the Assistant Director for Assets & Environment, to commence and conclude a procurement process to identify a preferred bidder and enter into legal agreements to appoint a preferred bidder for the provision of this service. Contractual arrangements will be subject to the Consortia members formally committing to the contract.
- b) Delegate authority to the Executive Member for Highways, Travel and Assets, in consultation with the Assistant Director Assets & Environment, to enter into suitable interim arrangements to ensure continued provision of the Grounds Maintenance Services should the procurement process not complete before the expiry of the current contract.

3.2 Reasons for Recommendations

- a) This approach ensures the Council has a legally procured and compliant contract in place for the provision of Grounds Maintenance Services.
- b) This approach provides best value for the Council in terms of the amenity land which is not already managed as part of the in-house arrangements.
- c) This approach allows the Council and its Consortia partners to ensure that any contract price has been market tested and allows the Council to compare its own service costs against that of commercial providers, which will enhance the Council's own commercial services.
- d) The recommendation presents an opportunity to provide a quality and cost-effective solution to local parish councils.

- e) This approach contributes to the resourcing of a multi-disciplinary team who deliver additional benefits such as patrols and promoting environmental quality by utilising education and enforcement techniques where appropriate.

3.3 Alternative Options Considered:

- Officers have explored whether the Council's in-house teams could take on the Town & Parish Council contract, however, as most of the land is not the responsibility of the Council, including cutting of highway verges delegated to the parish councils, there would be significant setup costs for equipment and vehicles, along with additional resource required to do this. Further, the Council would not be able to make a return on the contract above its operating costs, therefore, an outsourced model is the preferred method of providing this service.
- As the Council has limited land ownership and the local highway verges are the responsibility of the Consortia members, the Council could step away from the contract management role it takes in this area and allow the local Town and Parish Council to make their own contractual arrangement, however, it would still need to make provision for the maintenance of locations within the operational area that are the responsibility of the Council.

4. Report Background

- 4.1. As part of the legacy arrangements that have transferred to North Northamptonshire Council, the Thrapston waste management team manage an outsourced contract arrangement for the provision of grounds maintenance services on behalf of Irthlingborough Town Council, Higham Ferrers Town Council, Stanwick Parish Council and Raunds Town Council, plus the areas that had originally been the responsibility of East Northamptonshire Council, which accounts for a limited amount of the land, being predominantly small amenity sites and landscaping in public car parks. This arrangement has been in place since July 2000. The information regarding the income relating to this arrangement is contained within paragraph 5.3 below.
- 4.2. Grass cutting and grounds maintenance is carried out throughout the year, according to planned schedules. This includes the maintenance of cemeteries, sports fields and pitches and amenity open spaces (e.g., verges and parks).
- 4.3. Officers have explored migrating this service to the existing in-house team, however, the resourcing and setup costs required have determined this option to be unviable at this time; hence the proposed procurement of a new contract.

- 4.4. The current contract is due to expire in December 2023. An interim contractual arrangement may be required to ensure provision of services is maintained until the new contract is in place.

5. Issues and Choices

- 5.1. The recommended length for the new contract is an initial term of three years with two additional one-year extensions, being a common contract term in this market as it provides certainty to both the Council and the operator. A longer period can reduce the Council and consortia's ability to reassess the market and reconsider their position. A balance is required to find the optimum length; the additional extensions provide the Council with the ability to seek this optimum length.
- 5.2. The Council could make separate arrangements for the management of the areas that are the responsibility of the Council and pass back the responsibility for the management of grounds maintenance to the consortia. Under the new contract it is proposed that the Consortia will pay a management fee of £25,000 to the Council per annum, which would be lost if the consortia ceased. The Council will also receive a fee for undertaking the procurement exercise.
- 5.3. Once the procurement is undertaken, each member of the Consortia will need to consider the tender price returned and agree to enter into a new contract. If member councils did not agree to the new price, then alternative options for provision of the services would be required, such as reducing the specification, or individual organisations procuring their own services.
- 5.4. Should the new contract not be in place by December 2023 an interim arrangement will be required to ensure service continuity whilst the new contract is implemented. It is proposed that this short contract is facilitated either through an existing contract held by the Council or via a suitable framework at an agreed schedule of rates.

6. Next Steps

- 6.1. Following approval to commence a procurement process, it will be necessary to develop documents and instructions for prospective bidders via a fully compliant tendering process. Officers from procurement teams have already been consulted on the potential requirement to procure a new contract.
- 6.2. Preparation of the contract tender document pack has begun, and the Consortia members will be consulted on the specification and procurement route.
- 6.3. Following approval, make arrangements for a short contract to provide interim services to the Consortia.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

7.1.1. There is a risk that the new contract price is greater than the current arrangements. This could result in a small budget pressure on the Council's amenity land, which would need to be mitigated. Alternatively, it could be lower than the current arrangements and result in reduced expenditure. This will not be known until the outcome of the procurement exercise. This would impact consortia members more significantly rather than the Council as the majority of land is owned by Town and Parish Councils.

7.1.2. The Consortia contract provides a cost-effective means for undertaking grounds maintenance of land which is the Council's responsibility. With no Consortia contract the Council would be responsible for the full maintenance cost of areas in its control. The Council holds a budget of £75,000 for the maintenance of its own land in this area.

7.1.3. If the contract ceased the Council would lose the contributions made by Consortia members to the officer resources allocated to the ground's maintenance team.

7.1.4. The Council will lead the procurement, in consultation with the Consortia members. The cost incurred by the Council of undertaking the procurement work will be contributed to by the Consortia members.

7.2. Legal and Governance

7.2.1. Where the value of any contract exceeds the procurement threshold for services, currently £213,477 (inclusive of VAT), its procurement will need to comply with the Public Contracts Regulations 2015 and the Council's own Contract Procedure Rules. Consideration will also need to be given to the most appropriate form of contract.

7.2.2. Legal services will advise and assist officers as necessary with regard to the conduct of the procurement process, any internal governance arrangements and resulting contractual arrangements.

7.2.3. If/where the proposed procurement process is not completed before the expiry of the current contract, Legal services will advise and assist officers as necessary with regard to suitable interim arrangements for continued provision of the Grounds Maintenance Services.

7.3. Relevant Policies and Plans

7.3.1. Approval to conduct a procurement process for the procurement of grounds services will help the Council achieve its commitment to Modern Public Services within the Corporate Plan: It will help delivery of good quality essential services

for residents and customers across North Northamptonshire whilst ensuring the most effective use of resources.

7.3.2. The report also supports the Council's commitment to improving the green environment.

7.4. Risk

7.4.1. There is a risk that any new contract may be more expensive than the existing arrangements. This can only be determined by carrying out a procurement exercise. Even if it is more expensive than the current arrangements, it will be the most cost-effective option that the Council can achieve through the legally compliant procurement route. The increase in cost will need to be considered by the Consortia members individually.

7.4.2. There is a risk that the ongoing arrangements will cease prior to the new contract being in place. To mitigate this risk, it will be necessary to secure short term interim arrangements being made during the winter season to ensure that the service delivery is not disrupted.

7.4.3. As the Consortia members have only agreed in principle to be part of the grounds maintenance contract, subject to the outcome of the procurement, there is a risk that if one member does not sign up to the contract the scope of the contract and value will change significantly resulting in the procurement exercise failing. If this occurred, the Council would need to make arrangements for the land within its own responsibility.

7.5. Consultation

7.5.1. Consultation with Consortia Members has been undertaken to agree a specification ahead of any procurement exercise.

7.6. Consideration by Executive Advisory Panel

7.6.1. This report can be considered by the Prosperous Communities Executive Advisory Panel, if requested.

7.7. Consideration by Scrutiny

7.7.1. This report can be considered by the Scrutiny Commission as part of their work programme.

7.8. Equality Implications

- 7.8.1. An Equalities Impact Assessment (EqIA) screening form has been completed. There are no negative impacts on any of the protected groups owing to the recommendations of this report.

7.9. Climate and Environment Impact

- 7.9.1. By virtue of the contract arrangements the Council can monitor the impacts of managing the contract to ensure that it is ethically and environmentally managed and aligns with the Council's strategy in terms of Climate Change. Consortia members and contractors will also be encouraged to adopt the principles of the Council's Tree Management & Care Policy and Pollinator Strategy.

7.10. Community Impact

- 7.10.1. The provision of this contractual service locally is considered to positively benefit communities with a reliable and consistent service.

7.11. Crime and Disorder Impact

- 7.11.1. There are no Crime and Disorder Impacts arising directly from this report.

8. Background Papers

- 8.1. None