

## APPENDIX 1 – LONG LIST OF OPTIONS CONSIDERED

### The five options initially considered

3.1 The options considered were:

- (a) Extending of the current provision by way of a further extension to the existing contract
- (b) the council to tender the service
- (c) Council Managed provision of the service
- (d) A tender with Swindon Borough Council
- (e) A tender with a number of Parish Councils

<u>Option</u>	<u>Considerations</u>	<u>Rationale</u>
1. Extension of the present external contract	The current provider is idverde, who have a long history of working with Wiltshire Council. They are a proven contractor and are well established within Wiltshire. A price was obtained to further extend the contract to 2024 under existing contract arrangements, past the already agreed two-year extension. idverde agreed to underwrite any legal challenges which may arise from a further extension agreement, protecting Wiltshire Council from any legal challenge relating to any further extension passed that agreed up to 2022. Due to the SDAT programme being placed on hold, there has been significant impact on the programme. A further extension would allow for the	Procurement have advised that this option is neither feasible nor lawful

	<p>programme to recommence and allow more time to better understand the quantities that will be required under a new contract in 2024.</p>	
<p>2. To tender a new external contract</p>	<p>The provision of the street cleansing and grounds maintenance service needs to be revised in 2022 following the delegation of services to a number town and parish councils. To date, SDAT has seen all Streetscene services removed from Salisbury, Chippenham, Devizes and Pewsey and adjustments to the contract made accordingly. Bradford On Avon is nearing completion. Although the future form and timeline for SDAT has yet to be decided upon, a new individualised contract with the rebasing of the service will allow further amendments to be made and for market testing to be carried out to ensure best value.</p> <p>The tender would bring the contract specification up to date, taking account any legislative changes. It would also provide greater flexibility to amend services into the future to take into account additional service delegations and asset transfers and/or other changes that may become necessary.</p> <p>If this option is selected, the proposal is to tender a resource-based contract working to a scope of delivery. The resource-based elements will enable the service to set its priorities in a rapidly changing service allowing us to divert resources as we see appropriate. This is a proven method in the current contract which allows us to divert</p>	<p>Tendering the within a new contract services will give the opportunity to review and address deficiencies of the present contract which include:</p> <ul style="list-style-type: none"> <li>• elements of the present contract which may be better provided within other existing council contracts and vice-versa.</li> <li>• the need to review depot locations (taking into consideration the current council depot review) and the potential to introduce charges for use of the council's depots.</li> <li>• the need to reduce, reuse and recycle more waste and allow an informed discussion with any new service provider regarding SDAT and the effect on service delivery.</li> <li>• Improve upon and save costs on the collection of litter and fly-tips.</li> <li>• Enable liaison with any new contractor regarding the use of modern technology which will enable us to drive better efficiencies into the contract and improve methods of communication. This would see a reduction in the requirement for weekly monitoring meetings and reduce administrative times, also allowing the provision of up-to-date progress reports against scheduled work programmes and deadlines.</li> <li>• Ensure that any new service provider is contributing to the council's commitment to be carbon-neutral by 2030. Considerations might include the type of fleet they use by switching to battery powered vehicles and machinery thereby reducing carbon emissions and innovative means of improving biodiversity</li> <li>• Allow a rebalancing of the fixed costs to the current revenue spend.</li> <li>• Incorporation of year-on- year cost savings throughout the duration of the contract.</li> </ul> <p>The economies of scale may be continued, with a framework being built in to allow organisations to 'top up' local services funded from outside the council, where the council provides services to the statutory minimum level and/or the organisation wishes to provide an enhanced service. This would include:</p>

grass cutting crews onto other duties such as litter picking during periods of warm dry weather when there is minimal grass growth. A resource-based contract also minimises the risk of compensation events where additional grass or hedges are added to the contract. It will be possible to add, remove and amend areas for maintenance as we identify the need such as S106 adoptions, and additional highway land or simply areas of land which evidence shows we should be maintaining.

The resource provision should be calculated and agreed based on measurements/ quantities/ specification at the beginning of each year. Two examples of this are; the contractor shall propose (a) what resources they require to maintain 4 million square metres of grass 9 times a year, and (b) the resources they will require to ensure 3500 litter bins are emptied at a frequency that prevents them from overflowing.

Business Improvement Districts, businesses, local town and parish councils and organisations who will have access to:

- competitively tendered rates;
- a robust contract specification;
- approved contractor/s who can quickly and easy top up amenity and streetscene services on Wiltshire Council land reflecting local demand and for the provision to be managed by Wiltshire Council for a charge.

If this option is selected there are two key contract options for consideration;

1.Outcome-based

An outcome-based contract will specify a required outcome for each of the service areas and providing that those outcomes are met, the contractor has met their contractual requirement. For example, we may specify that the contractor shall deliver 9 cuts per annum of all amenity grass between March and November. It will then be for the contractor to determine the requirements to ensure the target is met.

Outcome based Contract Pros	Outcome based contract cons
The contractor decides how best to deliver to services and can drive efficiencies.	Due to the ever-changing quantities in amenity assets, this could lead to Compensation event notices. Previous adverse experiences with the BBLP contract.
Accountability is with the contractor to deliver to the service specification and frequencies	Limited flexibility within a rapidly changing politically influenced service.
During periods of absence and sickness, the contractor will need to ensure that there	Difficult to predict costs as the quantities are changing frequently –

			<p>is sufficient cover to meet the service requirement, for example, if a barrow operative is off sick, the contractor will still be required to ensure the Town Centres remain compliant with the regulatory Code of Practice</p>	<p>both adding and removing areas. An outcome-based contract will likely be a cost per m2 or linear length for example</p>	
			<p>Outcome based contracts are generally the cheapest provision type.</p>	<p>Any areas currently out of specification will require additional works/ additional cost unless we can quantify this in the tender process. This will likely drive up the cost. For example, hedges that have not been maintained for a number of years will now require enhanced works – chainsaw/chipper etc.</p>	
				<p>Whilst it is good to drive efficiencies, in an outcome-based contract, the contractor may be looking to find efficiencies over quality.</p>	
				<p>Any additional works outside of the scope of the contract are normally more expensive</p>	

			<p><b>Resource based</b></p> <p>A resource-based contract is in its essence a requirement for the contractor to provide a specific number of resources based on the priorities of Wiltshire Council. For example, we may specify that amenity grass cutting will be cut 9 times per annum and at the start of the year we have 3.6million square metres of amenity grass. The Contractor will specify the resource requirement to ensure they are adequate to meet this requirement. The significant difference with a resource-based contract is that should the services be suspended for instance due to prolonged periods of dry weather and minimal growth or equally prolonged periods of wet weather, those resources can be diverted onto other duties such as litter picking.</p> <p>The resource-based contract allows for changes in the quantities as is to be expected with large grounds maintenance and street cleansing contracts without the requirement for regular financial Compensation Event Notices. The annual spend is known and any increase in quantities will be recognised by the client as affecting delivery times as opposed to contract cost.</p> <table border="1" data-bbox="1205 788 2018 1318"> <thead> <tr> <th data-bbox="1205 788 1648 879">Resource-based contract Pros</th> <th data-bbox="1648 788 2018 879">Resource-based contract Cons</th> </tr> </thead> <tbody> <tr> <td data-bbox="1205 879 1648 1318"> <p>Costings remain consistent throughout the year and is therefore easier to monitor the budget providing it is within the capability of the assets (flail/rotary mowers)</p> </td> <td data-bbox="1648 879 2018 1318"> <p>Significant changes in specification could lead to compensation event notices should there be a requirement for different types of machinery. For example – if in year 2 or 3 we significantly increased the Wildflower provision from amenity grass. This may require the contractor to increase its cut and collect equipment and</p> </td> </tr> </tbody> </table>	Resource-based contract Pros	Resource-based contract Cons	<p>Costings remain consistent throughout the year and is therefore easier to monitor the budget providing it is within the capability of the assets (flail/rotary mowers)</p>	<p>Significant changes in specification could lead to compensation event notices should there be a requirement for different types of machinery. For example – if in year 2 or 3 we significantly increased the Wildflower provision from amenity grass. This may require the contractor to increase its cut and collect equipment and</p>
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				therefore look to offset those costs to the client.
			In periods of disruption, the resources remain a consistent and can be diverted onto other works (grass cutters during prolonged periods of wet/dry weather)	Difficult to drive efficiencies after the award of the contract.
			Easily monitorable all-year-round (daily whereabouts of staff) yet driven in performance outcome targets. For example, the contractor will specify we need 50 operatives to ensure grass is cut 9 times a year. Resource and outcome then become part of the KPI's.	
			A resource-based contract allows staff to be retained, keeping their skills/ attributes and local knowledge within the service.	
			Resources are easily quantifiable which helps with any possible SDAT negotiations and TUPE considerations.	
			Reduces the risk to the Council against any financial compensation event notices as the resource is agreed at the start of the year and any fluctuations within the quantities or requirements within the measurements will affect delivery time as opposed to a financial implication.	

<p>3. To a Council Managed Service</p>	<p>Council managed provision would allow a more flexible approach to amending services and resources to align with the changing financial and political environment.</p>	<p>As with Option 2 (Tendering the service), Council managed provision will be able to address:</p> <ul style="list-style-type: none"> <li>• the council's depot review</li> <li>• the need to reduce, reuse and recycle more waste</li> <li>• introduction of the use of modern technology such as live cutting data, live schedules, live litter bin data which will enable us to drive better efficiencies also allowing the provision of up-to-date progress reports against scheduled work programmes and deadlines</li> <li>• opportunity to review which of the works provided within the present contract can be better delivered in other way and whether there are other services and departments within the council aspects of whose services could be included</li> <li>• Allow a rebalancing of the fixed costs to the current revenue spend</li> <li>• Incorporation of year-on- year cost savings</li> <li>• Achievement of the council's target of becoming carbon-neutral by 2030.</li> </ul>
<p>4. Tender with Swindon Borough Council</p>	<p>A Wiltshire Council individual contract would be tendered with Swindon Borough Council. Discussion has previously taken place with Swindon Borough Council about the opportunities of a joint provision with the advantages and disadvantages of such an option. Wiltshire Council has considerable experience with this type of provision with the current Highways Contract with Swindon Council. It allowed the greater economies of scale when the service was tendered in 2016.</p>	<p>Swindon Borough Council (SBC) provide an in-house service which officers the opportunity of a commercial provision. They would be keen to provide a service to the whole of the county, or parts of it where this was mutually beneficial.</p> <p>Procurement regulations and tendering the service would allow for Swindon Borough Council the opportunity to provide the service through a competitivetender.</p> <p>The Framework Agreement would allow Swindon Borough Council or another provider the opportunity to provide elements of the main contract across the county.</p> <p>As Swindon would wish to tender for the service, this option would enable them to provide a competitive bid with the other interested parties should we opt to tender a contract.</p>

		<p><b>However</b>, since this option was identified SBC have moved to delivering services through combination of devolution to parish councils, with small in-house workforce and contractors dealing with parks and open spaces</p>
<p>5. Tender with a number of Town and Parish Councils</p>	<p>An individual Wiltshire Council contract could be tendered with a number of other local councils within Wiltshire. Wiltshire Council has considerable experience of this type of provision with the novated contract with Salisbury City Council and the contribution systems for Devizes and Chippenham.</p> <p>This option allows the economies of scale to be continued, if and when the amenity and street cleansing service reduces in line with SDAT and also allows partners to simply top up services at their cost where there is local demand for higher standards.</p> <p>This option allows local town and parish councils access to: competitive tender rates; a robust contract specification; an approved contractor which can quickly and easily top up amenity and streetscene services on Wiltshire Council land reflecting local demand.</p> <p>However, the option to commission works with other local councils is not preferred reflecting the experience of the current systems. With partnership contracts there is an equal status of partners on the various contract boards. This creates issues with the management of the contract with multiple partners. Regular group</p>	<p>The option to commission works with other local councils is not preferred reflecting the experience of the current systems. With partnership contracts there is an equal status of partners on the various contract boards. This creates issues with the management of the contract with multiple partners. Regular group discussions with partners and the contractor are required to enable the escalation of issues. Contract instructions must follow the official processes, or contract management is found wanting. The inconsistencies of how different partners score the contract can also be challenging.</p> <p>For performance monitoring, each partner scores the provision with performance and extensions being based upon the individual scores. Hence Wiltshire Council could have concerns but the contract in totality might be scored by the partners as acceptable.</p> <p>For these reasons a full partnership arrangement is considered to be inappropriate.</p> <p>An option for a Framework type 'call off' for town and parish councils may be possible, with a commercial client management offer by Wiltshire Council at a fee, allowing the local councils to benefit from the economies of scale associated with larger contracts. However, this carries a political risk following the delegation of services, as not only will the local council be paying for services provided by Wiltshire Council, Wiltshire Council will be charging them for the management of these services.</p>

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