

Wiltshire Council

Environment Select Committee

12 January 2022

**Subject: Streetscene and Grounds Maintenance Contract
Procurement Update**

**Cabinet Member: Councillor Dr Mark McClelland - Transport, Waste,
Streetscene and Flooding**

Key Decision: No

Executive summary

On 13 July 2021 Wiltshire Council Cabinet approved the procurement of a new contract for all Streetscene and grounds maintenance activities. This summary report updates the Committee on the scope, procurement details and key operational decisions taken to ensure an effective and robust service whilst also achieving key carbon reduction targets and budget savings.

Proposal

That the committee notes:

- (i) The content of this report which updates and details the procurement activities underway for a new streetscene and grounds maintenance contract including:
 - (a) the increased focus on environmental prerequisites and achieving carbon reduction targets
 - (b) the review of service operations with possible scope to be included in the contract.

Reason for proposal

To update and brief the Environment Select Committee.

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Wiltshire Council

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Cabinet Member: Councillor Dr Mark McClelland - Transport, Waste,
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Key Decision: No

Purpose of report

1. The purpose of this briefing note is to update the Environment Select Committee (ESC) on the Council's current procurement project for a new Streetscene and grounds maintenance contract following the approval by Cabinet in July 2021.

Background

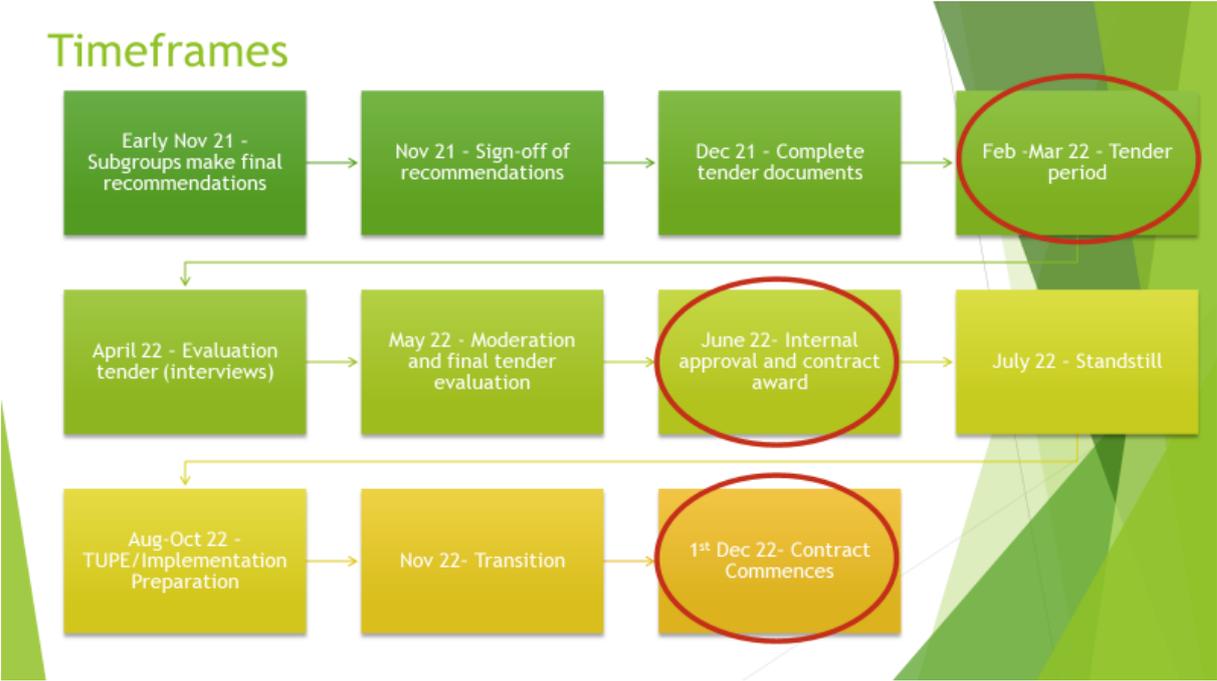
2. The present street cleansing and amenity grounds maintenance services are being provided by Idverde under a resource based external contract which will terminate on 30 November 2022. This contract was originally delivered under the Main Highway Contract with Balfour Beatty Living Places from 2013 to 2015.
3. Due to performance issues under the agreement with Balfour Beatty the contract was novated to their subcontractor, originally Fountains Landscapes Ltd, who on going into Administration were taken over by English Landscapes who were subsequently bought by the French company IDVerde.
4. Prior to 2013 the service was delivered under a mixed model with some inhouse provision and some outsourced provision. The current contract (resource-based) operates under a defined scope of works and broad guidelines such as the overall extent of grass to be cut.
5. The contractor identifies the number of operatives required to deliver the service in total and the core costs of the contract are calculated accordingly. The Council, as client, has the advantage of flexibility as to how it then prioritises activities according to changing demand and can ensure delivery of the optimum service. For example, if cold weather at the start of the planned grass cutting season causes the rate of growth to be slow such that it can be delayed, the staff resource that is freed up can be redirected to undertake additional litter collections, without there being an additional charge to the Council.

6. Initially this approach worked well, with change notices being issued to the contractor to cover variations and the option for individual compensation event notices to be issued when a need arises for a task to be undertaken which is outside of the scope of works. However, as the Council looks to devolve some of services to the local Town and Parish Councils the resource based approach makes it challenging to reduce contract requirements based on a town area.

Main considerations for the Committee

7. Procurement:

(i) Timetable



(ii) It has been agreed that this will be an open tender, due to the scale and scope of this contract it is likely that only larger companies would be able to provide the resources and geographical coverage therefore reducing the likely number of tenders being submitted. As the new service is required to commence on 1st Dec 2022 the procurement timetable would be at risk should the additional activities required for a restricted tender be required

(iii) The contract will be an NEC4 contract and will be for five years plus the option of an additional five years, this would align the Streetscene contract with current Highways contract delivered by Ringway.

(iv) The tenders will be scored against the following ratios:

- (a) 60% on Price
- (b) 40% on Quality
 - o 10% on Carbon reduction expectations
 - o 10 on Social Value
 - o 20% on General Quality

- (v) A virtual market event was held on 8 November, this provided potential suppliers an opportunity to meet the team, present the scope of the contract and provide the opportunity to answer any general questions six suppliers attended the event
- (vi) Faithful & Gould have been appointed as an external Quantity Surveyor – assisting with the pre-tender estimate, compile robust pricing schedule, review tender returns for deliverability/value for money.

8. Service Efficiencies

- (i) The July 21 Cabinet paper highlighted a number of areas where the contract services could be amended to deliver greater efficiencies these were:
 - (i) Inclusion of fly-tipped hazardous waste and large fly tips and a universal approach to dealing with fly-tipping and litter enforcement
 - (ii) Inclusion of the maintenance of public rights of way (footpaths, bridleways and byways) and the Council’s countryside sites
 - (iii) Inclusion of the maintenance of trees on the Council’s land
 - (iv) Inclusion of the grounds maintenance of Council properties where presently undertaken by Facilities Management
 - (v) Removal of the electoral transport service
- (ii) The following table details which elements will be retained, amended, added or removed following the review.

Current contract scope	Future scope
Provision and emptying of litter bins	Retained
Grounds maintenance of public open spaces and amenity areas (grass cutting, hedge and shrub maintenance)	Retained
Street Cleansing	Retained
Grave digging (council owned cemeteries)	Retained
Fly-tip clearance of non-hazardous waste, up to 3.0 cubic metres.	Amended to include ALL fly-tipped waste
Electoral transport service	Retained due to the supplier’s ability to provide large scale transport from polling stations throughout the county using their fleet.
Cleaning of the Council’s public toilets including those at park and ride locations, cemeteries and chapels.	Removed – this will now be undertaken by a specialist cleaning provider
Play area inspections and maintenance	Retained
Graffiti removal	Retained

Markets (setting up and dismantling)	Retained
Housing Revenue Account land	Amended – all sheltered housing land will be excluded from the contract and managed under the HRA service area. All other HRA amenity land will be included as the majority are identified as general amenity land.
Leisure facilities land	Retained
Not included in current scope	Future Scope
Rights of Way	Addition – Rights of Way will have the option for works to be carried out on an ad-hoc basis through a Bill of Quantities (this is to allow for flexibility of spend within a very tight primarily reactive service budget).
Tree maintenance	Excluded – Tree maintenance is not within the scope of the contract, the Council has a highway tree contract which is better suited for these works.

9. Depots, Supplier Storage and Waste

- (i) Following discussions with the strategic assets team it has been agreed that the new contract will require the supplier to locate and store their plant/equipment at the following Wiltshire Council depots: Churchfields (Salisbury), Riverway (Trowbridge) Bath Road (Chippenham) and Kennet House (Devizes).

This will enable a revenue to be generated for their use as well as providing a working base for both client and supplier.

- (ii) There is also the possibility of supplier/partnership investment in any future infrastructure changes needed to meet the 2030 carbon reduction targets. The supplier is required to detail their proposed plans to meet the Council's target as part of the quality sections of the tender.
- (iii) Waste collected within the scope of the contract is disposed of at the cost of the Council. A proposal for waste treatment has been agreed, utilising the Council's current waste routes via the four main depots.

10. ICT

- (i) The service currently uses the MyWilts reporting system provided by the Council and two supplier provided systems. An asset management system – Acorn and a plant inspection management system - MiPi.
- (ii) A number of options for the future contract were considered including:
- (a) The contractor to provide the asset management system.

- (b) Expand the use of Dynamics – the system behind the MyWilts application.
 - (c) Expand the use of the Highway Service’s system HIAMS.
- (iii) Following in-depth discussions with IT and wider team it was concluded that HIAMS be expanded to manage Streetscene’s assets because of its close relationship to highways and is already integrated into Wiltshire Council Systems. An added benefit also being that the original procurement for HIAMS included its potential to be used for Streetscene and Rights of Way, meaning that a separate procurement would not need to be undertaken.

11. Town and Parish Councils and Service Devolution

- (i) Service Devolution and Asset Transfer is a programme that looks to combine services and their associated assets into a single package that can be transferred/delegated to a town or parish. To date, the following towns and parishes have completed this process Salisbury, Chippenham, Devizes and Pewsey. This programme was paused at the commencement of the Council’s response to COVID-19 and is currently pending a policy review in line with the new business plan and corporate priorities. As such, the contract for Streetscene & Grounds Maintenance is being drafted to allow future devolutions to be removed from the contract without the high levels of overhead and profit losses charged as compensation under the current contract.

Environmental impact of the proposal

12. All tenderers shall be required to provide a plan regarding:
- (i) Carbon Reduction and their plan to meet the Council’s commitment to be carbon neutral by 2030.
 - (ii) Will minimise adverse effects upon the environment and will contribute to the objectives and targets identified in the Council’s Green and Blue Infrastructure Strategy.
 - (iii) Will deliver their environment objectives, to include:
 - We have clean air
 - We have clean water
 - We are climate resilient
 - We conserve materials
 - We have flourishing nature
13. The contract will allow the Council to set standards to improve the biodiversity and environmental benefit of its land stock, this could also include carbon reduction and offsetting management.

Equality and diversity impact of the proposal

14. There are no equality and diversity impacts resulting from the update report.

Risk assessment

15. There are no risk assessment requirements resulting from this update report.

Financial implications

16. The Cabinet report set out an annual contract saving of £400k.
17. Budget target of £4,997,440 Plus circa £100k depot rent totalling £5.1million.
18. To further drive efficiencies and savings the Council will tender the work activities in three main groups:
 - (i) An outcome delivery. This will be for scheduled works where the contractor must deliver outcomes to a stated level but can plan their activities to drive the best efficiencies. This is the major part of the contract.
 - (ii) A reactive delivery. Where works are of an ad-hoc nature where the contractor will cost per activity to ensure costs are minimised.
 - (iii) A resource provision. This will be for services where outcome and reactive pricing would not provide best value. This will be the smallest part of the contract.

Legal implications

19. Wiltshire Council is carrying out the procurement in accordance with Section B of Part 10 of its Constitution and in accordance with the Public Contracts Regulations 2015. Complying with Section 3 of Chapter 2 of the PCR 2015 with an open procedure which would be a competitive process to provide a most economically advantageous tender. Difficulties with the procurement process could be that there are few tenders or non-compliant tenders and the procurement does not achieve the intended result.

Conclusion

20. The procurement of a new Streetscene and Grounds Maintenance contract is well underway and on course to be issued to the market at the end of January 2022. The tendering window will last until 21 March 2022 after which time the analysis and review will commence, and the final contract awarded in June 2022.
21. To ensure the future service delivers as many efficiencies as possible all major stakeholders have been engaged with to review the future scope and learn from both the challenges of the current contract and those experienced as part of the Service Devolution programme.
22. There is clear priority to futureproof the contract where possible primarily in the areas of carbon reduction and possible service devolution as well as a drive to make financial savings.

Background papers

The following documents have been relied on in the preparation of this report:

None

Appendices

None