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**Report to:** Cabinet **Date of Meeting:** 10<sup>th</sup> October 2013

**Subject:** Tendering of Arboricultural Works

**Report of:** Director of Street Scene **Wards Affected:** All

**Is this a Key Decision?** Yes **Is it included in the Forward Plan?** Yes

**Exempt/Confidential** No

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### **Purpose/Summary**

The report seeks Cabinet's approval to tender for Arboricultural Works on the Highway and within Sefton's Parks and openspaces, and also the basis of evaluation of these tenders. To then accept the lowest priced tender that meets all pre-determined quality evaluation criteria.

### **Recommendation(s)**

That Cabinet approve:

1. The basis of evaluation of tenders as set out in the report.
2. The Director of Street Scene be granted delegated powers to award the contract to the lowest priced tender that meets all pre-determined quality evaluation criteria.
3. In the event that the procurement process is not completed before the existing contract end on the 28<sup>th</sup> February 2014, that the contract procedure rules be waived and the existing contract be extended by up to 3 months.

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**How does the decision contribute to the Council's Corporate Objectives?**

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		√	
2	Jobs and Prosperity	√		
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People		√	
6	Creating Safe Communities	√		
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

**Reasons for the Recommendation:**

The existing contract is due to expire on 28<sup>th</sup> February 2014. Not to replace the existing contract would result in arboricultural work having to be undertaken in an adhoc way, outside of a framework contract, which would result in increased costs.

**What will it cost and how will it be financed?**

**(A) Revenue Cost**

The cost of the new contract will be contained within the budget provision, taking into account any agreed changes to those budgets in future. Based on the 2013/14 budget – comprising Parks and Open Spaces (£94,450) and Highways (£146,250) – this would allow a contract to a total value of £240,700 per annum to be agreed.

**(B) Capital Costs**

N/A

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b>		
<b>Human Resources</b>		
<b>Equality</b>		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact on Service Delivery:**

No impact of delivery of remainder of Parks and Greenspaces Service.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance (FD 2581) and Head of Corporate Legal Services (LD1886.) have been consulted and any comments have been incorporated into the report.

### **Are there any other options available for consideration?**

Not to replace the existing contract would result in arboricultural work having to be undertaken in an adhoc way, outside of a framework contract, which would result in increased costs. Not to commission any arboricultural works would have serious Health and Safety implications.

### **Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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### **Background Papers:**

There are no background papers available for inspection.

## **Introduction/Background**

1. The existing arboricultural term contract has been in place since 2009 and is due to expire on the 28<sup>th</sup> February 2014.
2. The work covers all aspects of tree maintenance on the adopted highway (approximately 30,000 trees) and to trees within parks and open spaces (approximately 60,000 trees). It includes a variety of operations to keep the tree stock safe and healthy, and minimise the risk of injury to residents and visitors.
3. The contract includes the supply of a Provision of a 24-hour, 365 days a year emergency/out of hours call out service.
4. Because the contract is budget led all work is prioritised to address health and safety issues and in the interest of the longer term management of the tree stock. Due to the limited nature of the budgets available, this approach to its expenditure will continue for this new contract. This inevitably means that requests for cosmetic tree work (e.g. to reduce shade, leaf fall in gardens, leaves in gutters, bird droppings on cars etc), have to be refused.

This does, at times, cause some dissatisfaction from the public, which unfortunately is likely to continue given the level of budgets available.

## **Tender Process**

5. Whilst the value of the contract will exceed the European Union spend threshold for Goods or Services of £173,934.00, the service in question is classed as a Part B service and so is non-mandatory for advertising in the Official Journal of the European Union. With the assistance of the Council's Procurement Unit the exercise will be conducted using a Restricted Procurement Procedure managed via the Council's electronic opportunities portal The Chest.
6. The Procurement process will involve a Pre Qualification Questionnaire (PQQ) being made available to the marketplace. Prospective tenderers who return their PQQ will be assessed for:
  - Financial viability
  - Health and Safety Assessment
  - Previous Experience through referencing
  - Quality Assurance
  - Business and Technical capability
7. Those tenderers deemed suitable will formulate a select list and will be invited to tender.
8. Due to the partially unpredictable and reactionary nature of managing the Council's tree stock, the works will be tendered on a schedule of rates basis, rather than a Bill of Quantities. A sample Bill of Quantities will be included for evaluation purposes only, to enable tender comparisons to be made. The schedule of rates approach is necessary as this type of work cannot be quantified in advance.

9. The Arboricultural works contract will be for a 5 year period. The same inflation index that is currently used (GM87) will continue to be used in the new contract. This index has been applied for the duration of the current contract and has worked well.

## **Tender Evaluation**

10. The tender evaluation process will be undertaken by a panel of senior officers and will meet pre-determined essential quality evaluation criteria
11. These evaluations will be set as pass/fail assessments ('hardgates') and in order for each bidder to pass, the Evaluation Panel must be satisfied that each bidder has evidenced a sufficient approach to ensure that essential, minimum quality standards are met.

The evaluations will include the following subject areas:

- Health and Safety
- Organisation
- Partnering
- Experience and Technical ability

12. Only those bids that have passed the rigorous, quality assessments will be subsequently assessed on price. A best and final offer will be considered with the lowest priced tender being awarded the contract.
13. Arithmetical checks will be undertaken as part of the tender evaluation, as will financial checks on the validity and standing of the tenders.
14. If necessary, meeting(s) will be held with the preferred tenderers to ensure that there is a common understanding of the requirements of the contract, and to clarify / confirm any quality assurance issues.

### 15. Indicative Timescale

Advertised on CHEST: November 2013 / on expiry of call in period

Pre Qualification Questionnaire Evaluated: December 2013

Tender Period: January 2014

Tender Evaluation: January/February 2014

Award of Contract: February 2014

New contract commences: March 2014

16. The programme is currently scheduled to ensure the new contract is up and running immediately after the expiry of the current one at the beginning of March. Should there be a delay due to unforeseen circumstances, e.g. should the evaluation take longer than expected, it may be necessary to extend the existing contract for a short while.