

Place Committee

8 July 2021

Greenspace Services Contract

Report by Sarah Ireland, Executive Director, Corporate and Community

Relevant Portfolio Holder: Councillor Stephanie Archer, Portfolio Holder for Environment & Sustainable Transport

Purpose of Report

To approve the recommendation for award of the contract for Greenspace Services in the Royal Borough of Kingston upon Thames.

Recommendation(s)

The Committee is asked to RESOLVE that:

1. following a competitive dialogue process, the contract for the provision of green space services be awarded to the party named in the confidential annex for an initial period of seven years from 1 November 2021, with the option to apply one extension for a further seven years further up to a maximum period of 14 years, upon the terms detailed within this report and the associated confidential annex, subject to
2. the Section 20 Stage 2 Leaseholder consultation be completed
3. 'fine tuning' discussions with the Preferred Bidder are concluded and the Executive Director of Corporate and Communities, in consultation with the Monitoring Officer, being satisfied that there are no material changes to the proposed solution or commercial terms set out in this report.

Benefits to the Community:

Protection of Kingston's parks, green open spaces and biodiversity, for current and future generations to enjoy, and for its benefits for our health and well-being. The realisation of social value benefits to be derived from this contract have been a key part of the commissioning process and benefits include apprenticeships for local people, support for volunteering, the encouragement and involvement of community groups in improving the local environment and supporting nature based solutions to greenspace management and maintenance.

Key Points

- A. The purpose of the report is to advise the outcome of the competitive tendering exercise for Greenspace Services and to recommend to the Committee that the winning bidder is awarded the tender.
- B. The report provides an update and resolution to the previously agreed strategy to recommission the Greenspace Services contract. On the basis that the existing contract is due to expire on 31 October 2021 and that discontinuance of the service is not a viable option. The contract arrangements provide for grounds maintenance services within parks, on public highways, within RBK managed housing land and the corporate estate, excluding cemetery grounds that retain current directly managed arrangements.
- C. The main points addressed in the report concern the number and quality of tenders received, outcome of quality and price evaluation criteria and recommendation for appointment of the winning bidder.
- D. The price of the winning tender has come within the existing budget availability and therefore no immediate financial pressures have been identified. The winning bidder has also agreed to provide a discounted percentage of their invoice charges through the Premier Supplier Programme (PSP) mechanism which grants a rebate for prompt payment.
- E. This service area has been the recipient of budgetary growth commencing financial year 2021/2022 on the basis of the policy importance of the service and to recognise the increasingly extensive and intensive use of parks and greenspaces and their facilities by the local community. The COVID – 19 pandemic has served to reinforce the importance of these local and multi-purpose facilities.
- F. The new service specification requires new methods of working and site management to promote biodiversity, reduce emissions and use of natural resources with a reduction in the use of chemical weed control. The recommissioning has engendered a uniform service specification across all corporate grounds within the greenspace contract arrangements which will deliver enhanced environmental benefits and efficiency savings in the medium term.
- G. The recommissioning of the service has permitted the development of a revised and improved service specification, which has identified revised Key Performance Indicators (KPI's) with agreed benchmark targets to facilitate consistent service delivery.
- H. The use of modern technology by the Supplier to improve work efficiency, tracking and monitoring will provide 'real time' information to RBK by improving communications and information exchange within the council and with members of the community.
- I. The incoming supplier will also be required to comply with RBK policy objectives in relation to ensuring that all employees are paid the London Living Wage as a minimum. Enhanced public services are being provided through an enhanced

cleansing regime of public toilets within parks and improved online booking systems for use of outdoor sports facilities.

- J. There is a statutory requirement to consult with Housing Leaseholders in compliance with Section 20 of the Landlord and Tenant Act 1985 (as amended by Section 151 of the Commonhold and Leasehold Reform Act 2002). The Section 20 consultation will commence following committee agreement of the recommended award of contract. This will run for a period of 30 days and the contract award will be confirmed subject to the completion of the Committee Scrutiny Call-in Process together with the successful completion of Section 20 consultation together with the statutory standstill process.

Context

1. The recommissioning exercise for the greenspaces contracts started in the autumn of 2019, with internal and external consultation with the community to inform the future strategy direction for green spaces, as well as options for service delivery.
2. Competitive Dialogue was selected as the preferred method of tender. Competitive Dialogue is defined under Regulation 30 of the Public Contract Regulations 2015 as a permitted procurement procedure which can be used where:
 - Needs cannot be met without adaptation of readily available solutions.
 - Where the works, services or supplies include design or innovative solutions.
 - Where the contract cannot be awarded without prior negotiation because of the nature of the requirement, the complexity of its legal and financial make-up or because of its risks.
 - Where the technical specifications cannot be established with sufficient precision with reference to particular standards.
3. The use of competitive dialogue for Greenspace Services Recommissioning offered the opportunity to maximise value for money and minimise risk in the following ways:
 - Testing the deliverability of solutions.
 - Exploring opportunities for innovation throughout the life of the contract.
 - Ensuring bidders understand and are aligned with organisational policy and strategic goals.
 - Exploring opportunities for the right balance between cost and quality.
 - Building and testing the client/supplier relationships which will be fundamental to success, including problem resolution.

4. Specific benefits and reasons for the greenspace services procurement project were:
 - Ability to model delivery for some requirements - e.g. community engagement.
 - Testing and adoption of the emerging RBK social value framework and matrix.
 - Positive feedback from market engagement for use of competitive dialogue.
 - Ability to test different risk and financial models with bidders, given some of the other changes we are introducing (e.g. London Living Wage) and other requirements during the life of the contract (e.g. fleet and equipment).
5. The Greenspace Services contract will provide services in our Parks and open spaces, Public Highway, Housing and Corporate Estate. (The Grounds Maintenance of Kingston & Surbiton cemeteries shall continue as an in-house service).
6. The contract for RBK will be managed by designated staff in the Corporate & Communities Directorate, Contract meetings for operational purposes will be held monthly. A Partnership Board with membership including portfolio holders, RBK staff and Supplier representatives will meet quarterly to discuss performance, progress reports and matters arising during the course of activity.
7. The Service will be quality assured by reporting against the contract Key Performance Indicators (KPI's) and the service will be delivered within the budget required. The principles will follow the agreed RBK Contract Management Scorecard process. There is a requirement for the Supplier to provide regular and detailed reporting on performance against all KPI measures.
8. Extensive consultation and engagement has been conducted as part of this recommissioning exercise. The contract terms and specification has built in sufficient flexibility to meet current and future financial constraints.

Proposal and Options

9. The procurement process for Greenspace Services followed a Competitive Dialogue Tendering Procedure within the Public Procurement Regulations 2015. The contract opportunity was published on the [UK e-notification service called Find a Tender Service](#).
10. The Competitive Dialogue procedure was followed for the reasons and benefits outlined in the preceding section of this report. Paragraphs 2, 3 and 4.
11. A number of procurement options were considered, which are included with the Annex to this report, **PART B Confidential Annex - Greenspaces Recommissioning GATEWAY 1: SOURCING STRATEGY OVER £150K.**

Scoring Quality/Price Criteria

12. The submitted tenders were evaluated and scored on the basis of 60% quality/40% price as this ratio was seen as the most advantageous to the Council. This is in line with the requirements of the Council's Contract regulations.
13. The outcome of evaluation and scores for each supplier are summarised in the table included within the Annex to this report **PART B Confidential Annex - Greenspace Services Contract Award Decision - Tender Evaluation Summary**

Consultations

14. Prior to the formal procurement process, a consultation with all residents and relevant stakeholder groups was undertaken to inform the design of the service specification. Details can be found in the background papers. In addition to that a second round of consultation was undertaken in December 2020 with housing tenants and leaseholders to sense check the chosen approach. Further to that, resident representatives were invited to one of the dialogue sessions with bidders to check and challenge their proposals and input in terms of requirements from future arrangements.
15. There is a statutory requirement to consult with Housing Leaseholders in compliance with Section 20 of the Landlord and Tenant Act 1985 (as amended by Section 151 of the Commonhold and Leasehold Reform Act 2002). The Section 20 consultation will commence following committee agreement of the recommended award of contract. This will run for a period of 30 days and the contract award will be confirmed subject to the completion of the Committee Scrutiny Call-in Process together with the successful completion of Section 20 consultation together with the statutory standstill process.

Timescale

Activity	Proposed Date
Commissioning Governance Board Endorsement of Recommendation	June 2021
Committee Approval of Recommendation	8 July 2021
Committee Scrutiny Call-in (10 working days from Committee Date)	22 July 2021
Section 20 Stage 2 Consultation (30 days from Committee)	8 August 2021

Contract award	9 August 2021
Standstill Period (Alcatel)	20 August 2021
Contract Mobilisation	September 2021
FTS Contract Award Notice despatch	September 2021
Contract commencement	1 November 2021

Financial Context

16. The council is operating in an increasingly challenging financial environment. Kingston faced a number of financial challenges in the medium to longer term - even before the COVID-19 outbreak, which has further added to these challenges. The economic and financial consequences of the pandemic, growing demand for services, and limited government grant funding make it difficult to find adequate funds to meet the borough's needs.
17. The future of local government finance faces a significant level of uncertainty. The impact of the Fair Funding Review and a future review of business rates is currently unknown, and the lasting effects of COVID-19 on our residents, local businesses and the Council itself remains uncertain.
18. Despite these challenges the council has a drive and commitment to ensure it is doing the best for residents and communities

Resource Implications

19. If the projected work outlined within the tendered specification is fully completed as planned, annual expenditure is anticipated to be within the purview of the allocated revenue budget.
20. The tender has been priced on a bill of quantity basis which means that the costs to each of the client department areas has been itemised. The client areas are; Environment, Highways, Housing and Corporate Property.
21. TUPE is applicable for this contract. After the contract has been awarded the obligations under TUPE will lie with the outgoing supplier and the incoming supplier not the council, as applicable.

- 22. The Council’s role was to assist in facilitating the transfer of employee information between the incumbent supplier and suppliers who were interested in bidding for the contract. That has now been completed.

Legal Implications

- 23. The Council has the power to enter this contract by virtue of the enabling powers under section 111 of the Local Government Act 1972 and the general power of competence under section 1 of the Localism Act.
- 24. The contract is over the threshold set in the Public Contract Regulations 2015 and has been procured under the Competitive Dialogue procedure in compliance with Regulation 30 (1) and Regulation 3 of the Council Procurement Regulations.
- 25. The contract will be on the terms and conditions issued to all bidders as part of the tendering process, and once entered under seal in accordance with Council Regulation 14 will be placed on the Councils Contracts Register and on Contracts Finder in compliance with Council Regulation 11.

Risk Assessment

- 26. The estimated volume of work to be completed in any given year has been estimated within the Bills of Quantity and Schedule of Rates items and therefore the risk of service failure has been minimised and the risk of budgetary overspend has been similarly reduced.
- 27. The use of the Competitive Dialogue process has provided officers with the opportunity to discuss the service requirements with the suppliers in quite exhaustive detail over a number of weeks. This has also allowed the key personnel from both organisations to gain understanding of each other’s priorities and ambitions for the service.
- 28. The table below describes the key risks and mitigating activity by awarding this contract.

Risks	Risk Rating	Mitigations
Any delay to awarding the contract will delay the commencement of the grounds maintenance programme.	Medium	The contract has been designed to commence during the dormant season when natural factors such as grass and shrub growth are at their least active. This means that any short term delay in mobilising the contract will be recoverable.

Budgetary Overspend due to extenuating factors	Low	The contract specification and unit rates within the bill of quantities has been prepared based on known volumes of work in preceding years. Current known service risk factors arising from COVID-19 have been calculated within the service outputs.
Standstill Rules challenge to award of contract	Low	The tendering exercise is compliant with PCR 2015 and the Council's Contract Regulations. RBK has followed a legitimate commissioning process in full compliance with PCR 2015. The information to be provided to unsuccessful bidders will be sufficiently detailed to reduce the risk of challenge.
Section 20 challenge	Low	The commissioning process followed and the outcome will be able to demonstrate to Leaseholders that the service requirements have been fully tested in the commercial marketplace and that the contract has been awarded on the basis of the most economically advantageous tender.

Equalities Analysis

- 29. There are no new or revised changes to policy or services as a result of this contract which would have an impact on the equality of individuals or groups

Health Implications

- 30. One of the award criterion for the tender covered the policies and procedures the contractor will operate to discharge their Health & Safety duties, including subcontractors if relevant, and they were requested to demonstrate how they eliminate hazards and control risks, explain the roles and responsibilities of the person(s) responsible for managing Health & Safety including procedures for monitoring and your methods for recording and investigating accidents and incidents. Bidders were also required to detail Health & Safety and wider training programmes including induction training for all staff, including sub-contractors, ongoing training and support to deliver the service, methods of consultation with their workforce on Health & Safety matters.

Road Network Implications

- 31. It is expected that the award of this contract will not result in increases to traffic, pollution or parking pressures. As this is a replacement contract no new impacts are anticipated. The recommissioning of the contract has a requirement for the service provider to meet the highest standards of emissions based on Euro 6 specifications. Where works are being undertaken on Highway verges and

central reservations the contract specification and methodology requires the Contractor to liaise with and comply with the requirements of statutory agencies.

Sustainability Implications

32. The purpose of this contract is to seek continuing environmental improvement through the effective management and maintenance of the greenspaces and associated natural areas, owned by the council. Capacity and specific activities within the contract will also facilitate the enhancement of biodiversity, restoration of natural systems and habitats and wildlife friendly planting programmes.
33. The Supplier is required to use the most environmentally sustainable vehicles and equipment. There is a requirement to recycle natural green waste arising from the contractual operations. There will be a requirement to meet carbon reduction targets throughout the life of the contract and reduce the use of natural resources through adoption of sustainable practices.
34. The procurement process required that Suppliers responded to the RBK Social Value Matrix against a number of target criteria. The Social Value offer/contribution from each supplier was scored as part of the Quality Method Statements.
35. The annual measurement and achievement of Social Value has been embedded within the contract Key Performance Indicators (KPI's) and as such will form part of the Terms and Conditions of contract.
36. The recommended Supplier has advised that they will provide social value in relation to the following areas: Apprenticeships, Staff Training & Career Progressions, Volunteer & Community Support Programmes and Carbon Reduction & Environmental Sustainability.

Background papers

Greenspaces Recommissioning CGB_ Cabinet Decisions - Sourcing Strategy - to CHEP [CGB-Cabinet Decisions - Sourcing Strategy](#)

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