

Place Committee

8 July 2021

Greenspaces Recommissioning - Contract for the provision of Arboricultural Services

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 Arboricultural Services in the Royal Borough of Kingston upon Thames.

Recommendation(s)

The Committee is asked to RESOLVE that:

1. Following an open tender process, the contract for the provision of arboricultural services be awarded to the party named in the Part B 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 is completed.

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.

Sustaining and improving the Borough's tree stock will lead to increases in physical and mental health, improvement in air quality, biodiversity net gain and carbon reduction. There is significant opportunity built into the new contract specification to develop further community involvement in related activities across the borough, such as a volunteer Tree Warden Scheme.

Key Points

- A. The purpose of the report is to advise the outcome of the competitive tendering exercise for Arboricultural 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 re-commission the Arboricultural 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.
- 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 need to control new invasive species to protect tree stock and people.
- F. The service specification has however identified new methods of treatment for invasive species and control with the aim of reducing expenditure in the longer term, subject to any extenuating and unforeseen circumstances which may arise.
- G. The new contract formalises arrangements for Arboricultural Services for RBK's property estate in addition to those previously in place for trees on the public highway, in parks and within RBK housing land.
- H. The re-commissioning of the service has permitted the development of a revised and improved service specification, identified key environmental improvements in operation delivery to provide carbon reduction measures and more effective use of natural resources. Similarly the use of modern technology to improve work efficiency and improve communications and information exchange with members of the community.
- I. 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 to inform the future strategy direction in this space as well as options for service delivery. This is a high profile and extremely sensitive area with the community and any perceived inappropriate treatment of the tree stock is likely to result in adverse publicity. All required works to trees will be effectively controlled, managed and communicated through the new contractual arrangements.
2. The benefits of having a well- managed and diverse tree stock within the borough is a cornerstone of the RBK Tree Strategy. Increasingly trees are defined as a key contributor to reducing the impacts of climate change, through regulating aspects of the urban environment such as reducing summer heat, providing shade and absorbing pollutants. Similarly they have a vital role in enhancing urban biodiversity e.g. through providing a food source for pollinating insects. The recommissioning of the Arboricultural Services offers an opportunity to align service delivery with these priorities.
3. The continuation of separate contract arrangements for Grounds Maintenance and Arboricultural Services as previously approved has progressed. Both contracts will provide services in our Parks and open spaces, Public Highway, Housing Land and Corporate Estate.
4. The contract for RBK will be managed by designated staff in the Corporate & Communities Directorate, Contract meetings for operational purposes will be held monthly.
5. The Service will be quality assured by reporting against the contract Key Performance Indicators 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.
6. 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.
7. The operating model for the service remains largely as per the current arrangement. That is, except in the case of out of hours emergencies or other exceptional circumstances, the responsibility for inspection and work instructions for tree maintenance works sits with suitably qualified council officers.

Proposal and Options

8. The procurement process for Arboricultural Services followed a Competitive Open Tendering Procedure within the Public Procurement Regulations 2015. The contract opportunity was published on the [UK e-notification service called Find a Tender Service](#).
9. The Open procedure was followed as the requirement is straightforward; the services required can be clearly defined; a select number of specialist qualified contractors provide these services and have a preference for simple tendering procedures that are not time consuming; RBK drafted its own terms and conditions to meet RBK objectives.
10. The following procurement options were considered: See **PART B Confidential Annex 1 - Greenspaces Recommissioning GATEWAY 1: SOURCING STRATEGY OVER £150K.**

Scoring Quality/Price Criteria

11. 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.
12. 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 2 - Arboricultural Services Contract Award Decision - Tender Evaluation Summary.**

Consultations

13. 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).
14. 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	10 May 2021
Committee Approval of Recommendation	8 July 2021

Standstill Period (Alcatel - 10 calendar days from Committee Date)	20 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
Contract Mobilisation	September 2021
FTS Contract Award Notice despatch	September 2021
Contract commencement	1 November 2021

Financial Context

15. 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.
16. 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.
17. Despite these challenges the council has a drive and commitment to ensure it is doing the best for residents and communities.
18. 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.
19. However the estimated volume of work to be completed in any given year is liable to fluctuation due to situations arising out of the direct control of the Council. These

include areas such as emergency work arising from storm conditions, insurance related works and weather conditions favouring insect pests. However approximately 75% of expenditure is derived from programmed and planned works which ensures that annual budgetary allocations are not exceeded.

20. This service area has had an increase in budget provision of £50,000, commencing financial year 2021/2022, this is to provide a more dedicated budget for the control of Oak Processionary Moth an invasive introduced species which has a serious impact particularly on oak species and also has an impact on human health which although relatively minor for most people can cause breathing difficulties and skin rashes due to the irritating hairs released by the caterpillar larvae.
21. The existing more widespread infestations will be initially targeted with the intention of eradicating the pest on a locality basis if possible or otherwise reducing the pest to a more manageable and contained level. The new contract specification has also included less expensive management techniques to control the pest and the intention is that this will lead to budgetary savings in the early years of the contract, providing all current factors remain equal.

Resource Implications

22. TUPE is not applicable for this contract.

Legal Implications

23. The contract value is over the threshold for service contracts and as such was procured in compliance with the Public Contract Regulations 2015, Regulation 27 in respect of the Open Procedure and Regulations 1, 2 (2) of the Councils Contract Regulations.
24. The contract award will require a contract award notice to be issued and the contract to be entered onto the contracts register. In addition, a Regulation 84 Report will need to be provided in accordance with the Public Contract Regulations 2015.
25. The report correctly sets out the statutory requirements to consult with leaseholders and Members noting that a failure to comply with this statutory consultation could result in the Council being unable to recover apportioned costs from leaseholders for the duration of the contract awarded.

Risk Assessment

26. The estimated volume of work to be completed in any given year is liable to fluctuation due to situations arising out of the direct control of the Council. These include areas such as emergency work arising from storm conditions, insurance related works and weather conditions favouring insect pests. However approximately 75% of the expenditure is derived from programmed and planned

works which ensures that annual budgetary allocations are not exceeded.

27. Due to the increasing cost of controlling the invasive pest Oak Processionary Moth (OPM) budgetary growth of £50,000.00 has been allocated commencing 2021/2022.

28. Based on the three previous year's expenditure the cost of emergency, non-programmed and work to control OPM has been extrapolated and included within the budget allocation.

29. 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 cyclical tree pruning programme.	Medium	The programme can be rescheduled and prioritised to ensure that the most critical pruning operations are completed before leaf growth re-commences.
Budgetary Overspend due to extenuating factors	Low	There is a likelihood that storm or bad weather conditions increase the need for emergency and out of hours working. This has been factored into the contract price based on the average requirement over the previous three contract years.
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

30. 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

31. One of the award criterion for the tender will 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.
32. For Arboricultural service contractors specifically outlined health and safety procedures for completing tree works on public Highways in highly trafficked locations.

Road Network Implications

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

Sustainability Implications

34. The purpose of this contract is to seek continuing environmental improvement through the effective management and maintenance of the tree stock, owned by the council. Capacity and specific activities within the contract will also facilitate the tree planting programme subject to annual budgets being identified.
35. 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. The watering of young tree stock will be carefully monitored and all standard trees will be planted with tree watering bags to target water into the tree root zone avoiding wastage of natural resources through misapplied irrigation.

36. 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.
37. 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.
38. The recommended supplier has advised that they will provide social value in relation to the following areas: creation and management of green infrastructure, company support for local community projects, commitment to staff wellbeing through health screening, provision of work placements and apprenticeships for local people and commitment to low emission vehicles.

Background papers

- ***Greenspaces Recommissioning CGB_ Cabinet Decisions - Sourcing Strategy - to CHEP***

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