

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 16 JULY 2019

Title of report	APPROVAL FOR THE PROCUREMENT OF A FENCING CONTRACTOR
Key Decision	a) Financial Yes b) Community Yes
Contacts	<p>Councillor Andrew Woodman Tel: 07932 758555 andrew.woodman@nwleicestershire.gov.uk</p> <p>Strategic Director of Place Tel: 01530 454555 james.arnold@nwleicestershire.gov.uk</p> <p>Head of Community Services Tel: 01530 454832 paul.sanders@nwleicestershire.gov.uk</p>
Purpose of report	<p>To seek approval to commence a procurement process to identify a fencing contractor to support the work delivered by the Grounds Maintenance team and delegate authority to award a contract to successful tenderer to Statagic Director of Place in consultation with the portfolio holder of Community Services.</p>
Reason for decision	<p>The level of expenditure on proposed contracts exceeds the authority threshold in the Scheme of Delegation.</p>
Council priorities	<p>Support for businesses and helping people into local jobs</p>
Implications: Financial/Staff Health and Safety Risk Management Equalities Impact Screening Human Rights	<p>Procurement regulations</p> <p>Expenditure will be recharged to Housing Services for whom Grounds Maintenance procure and manage the work. Housing Services budget annually for this work to be undertaken</p> <p>None</p> <p>Included within the report</p> <p>None</p> <p>None</p>

Transformational Government	Offering value for money by delivering services in a different way
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Head of Community Services Procurement Officer Open Spaces and Parks Team Leader Grounds Maintenance Supervisor Housing Services
Background papers	None
Recommendations	THAT CABINET; A) APPROVES THE COMMENCEMENT OF A PROCUREMENT PROCESS IN ORDER TO SECURE A FENCING CONTRACTOR FOR THE GROUNDS MAINTENANCE SERVICE B) DELEGATE AUTHORITY TO AWARD THE FENCING CONTRACT TO THE STRATEGIC DIRECTOR OF PLACE IN CONSULTATION WITH THE COMMUNITY SERVICES PORTFOLIO HOLDER

1.0 CONTEXT

- 1.1 The Grounds Maintenance service undertake a range of varied tasks. These include arboricultural works, grass cutting, flower bed management, weed management, hedge maintenance, sexton services, hard and soft landscaping, tree management surveys, building repairs, improvement planning, including responding to S106 requests, the formal checking of play areas and fencing works.
- 1.2 These services are delivered to a varied range of customers which include Housing Services, Property Services, parish councils, schools, leisure centres, sports clubs, local businesses and burial committee's.
- 1.3 As demand on the service has grown, the team has been restructured to increase its flexibility to be able to meet this demand with a service review taking place in 2017/18. This was implemented in April 2018 and is still in the process of being fully embedded.
- 1.4 Demand on different areas of the service continues to grow, an example of this being the amount of fencing works being requested from Housing Services.

1.5 To support the delivery of the additional fencing works, a fencing contractor has been procured by the grounds maintenance team. The reasons for this are:-

- A lack of capacity within the grounds maintenance team to undertake all the works
- The fencing contractor can normally undertake the work more cost effectively than the grounds maintenance team can due to;
 - Their ability to procure materials cheaper than the council due to the economies of scale of them buying in bulk
 - Their staff tend to be on a lower rate of pay than council staff
 - They can undertake the work quicker as this is their area of expertise

1.6 Whilst initially the value of the fencing work being procured was nominal and met procurement requirements, this amount has significantly increased leading to procurement implications.

2.0 OPTIONS

2.1 In order to evaluate the the most effective way of undertaking fencing works, various options have been considered and reviewed. These are highlighted in the table below;

	Option	Advantages	Disadvantages
Option 1	Housing Services procure their own fencing contractor	<ul style="list-style-type: none"> • Work may be undertaken quicker 	<ul style="list-style-type: none"> • Lack of knowledge to identify specific fencing requirements • Lack of knowledge to effectively manage the contractor • Grounds Maintenance would still need to be engaged to undertake preparatory and ancillary works
Option 2	Grounds Maintenance procure the fencing contractor	<ul style="list-style-type: none"> • More effective management of the contractor due to higher levels of knowledge of fencing requirements and the specific tasks • Single point of contact with the contractor as compared to a number of officers through Housing Services • Grounds Maintenance will more than likely already be undertaking preparatory and ancillary works on site and can therefore co-ordinate tasks with the contractor 	<ul style="list-style-type: none"> • Adds an extra level of bureaucracy to the ordering process

Option 3	Grounds Maintenance recruit additional staff to deliver the service	<ul style="list-style-type: none"> • More responsiveness to delivering work • Increased capacity to meet other demands 	<ul style="list-style-type: none"> • Increased fixed costs • The risk of the amount of fencing works required reducing • Not as cost effective as engaging a contractor
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2.2 Following discussions with Housing Services and the Procurement Officer, and considering the above advantages and disadvantages, it has been concluded that the best option would be Option 2, for Grounds Maintenance to procure a fencing contractor with a view to then managing and co-ordinating the works required.

3.0 FINANCIAL IMPLICATIONS

3.1 In 2016/17, the contractor spend within the Housing Revenue Account(HRA) on fencing was £28,000. This increased to £98,800 in 2017/18, with a further £56,300 by November 2018.

3.2 Consequently, the total spend on fencing during this period exceeds £180,000 which means there is a requirement for a formal tender process in line with EU (OJEU) Procurement Regulations.

3.3 Housing Services procure the Grounds Maintenance team to undertake all fencing works. This is underpinned by a Service Level Agreement which is being developed between the service areas.

3.4 Whilst the Grounds Maintenance budget for contractors has been exceeded in 2017/18 and 2018/19, this is offset through the additional income generated from Housing Services for undertaking this work, which covers all costs.

3.5 Housing Services plan for fencing work to be delivered and therefore budget for these costs on an annual basis.

3.6 The intention is for a 3 year contract to be awarded, with an option to extend beyond that period. Current spend levels indicate this is likely to be in excess of £250,000 and, therefore, Cabinet approval is required to award the contract. However, 3.4 of the Scheme of Delegation allows for Cabinet to approve the delegation of authority for contracts in excess of £250,000 to a Director to be able to award. Consequently, it is requested that Cabinet delegate authority for the awarding of this contract to the Strategic Director of Place.

4.0 RISKS

4.1 Failure to follow the appropriate procurement process to award a contract could lead to fines associated with a breach of EU procurement regulations. This, in turn, could lead to negative publicity and a reputational risk for the council.

4.2 If a fencing contractor isn't procured, then this will lead to further capacity issues within the grounds maintenance team. This would lead to a delay in work being undertaken, which may lead to customer dissatisfaction and a potential loss of income.

4.3 Any contractor being procured would need to be managed by the grounds maintenance team. However, this already happens through ensuring there are adequate risk assessments and method statements in place for work being undertaken. In addition, the work of the fencing contractor is monitored for health and safety compliance. This approach would be further enforced through the procurement process.

5.0 PROCUREMENT DELIVERY

5.1 If the recommendations are approved, the grounds maintenance team will liaise with the Procurement Officer to ensure an appropriate procurement process is followed that is compliant with relevant procurement legislation and policy, and that this is done in a timely manner. It is anticipated this will be an OJEU-compliant open tender process

5.2 The Project Team to undertake the procurement process, including finalising the specification and undertaking evaluation of tender submissions, will be made up of the following-:

- Paul Ashmore Open Spaces and Parks Team Leader
- Steve Truman Grounds Maintenance Supervisor
- Richard James Housing Commercial Services Manager
- Sohail Aboobakar Procurement Officer

5.3 The Project Sponsor will be Jason Knight, Leisure Services Team Manager.

5.4 The length of contract will be 3 years with an option to extend beyond that period, and the specification of works within the tender will include the removal and disposal of existing fencing, the preparing of bases, the supplying and installation of posts, and the supplying and installation of 8 different types of fencing.

5.5 The tender submissions will be evaluated on both price (60%) and quality (40%).