

ISLE OF ANGLESEY COUNTY COUNCIL

<u>COMMITTEE:</u>	SPECIAL COUNTY COUNCIL
<u>DATE:</u>	3 MAY 2012
<u>TITLE OF REPORT:</u>	PROCUREMENT OF EDUCATION AND LEISURE'S GROUND MAINTENANCE CONTRACT
<u>PURPOSE:</u>	TO CLARIFY THE SITUATION
<u>REPORT BY:</u>	HEAD OF SERVICE (HIGHWAYS AND WASTE MANAGEMENT) ON BEHALF OF HIGHWAYS AND WASTE MANAGEMENT SERVICE AND EDUCATION SERVICE
<u>ACTION:</u>	TO CONSIDER THE REPORT

1.0 BACKGROUND

The Highways and Waste Management Service manage, supervise and procure two ground maintenance contracts within the service i.e. Urban and Rural grass cutting. Additionally the service has been responsible for procuring two other grounds maintenance contracts on behalf of the Housing and Education Services. These two contracts are then managed and supervised by those individual services.

Operations included within the Grounds Maintenance contract include cutting grass, weed killing, cutting back overgrowth and playing field marking for Education and Leisure.

All four term maintenance contracts expired at the end of March, hence new contracts were tendered for six years with options to extend for up to four years. It was decided to retain the four individual contracts rather than tender one large contract, as the contracts required different types of cutting machines and give better opportunities for smaller contractors to be successful in the procurement process.

2.0 CURRENT SITUATION

The current Education and Leisure ground maintenance contract is operated by Cyngor Gwynedd Council who employ 5 no. operatives on the contract. The employment rights of these operatives are protected by the Transfer of Undertakings (Protection of Employment) Regulations, hence they will be transferred to the successful contractor at the end of the contract.

Previously the contractor was required to cut the grass when it became longer than 50mm and there were numerous complaints in various schools regarding this matter. The specification has now been changed so that the contractor cuts the grass every fortnight during the growing season and that the Site Manger of Secondary Schools and the Headmaster/Headmistress of Primary Schools sign a form to confirm that the visit took place, similar for weed killing, planting etc.

Performance Indicators have been provided within the contract to monitor quality, completion of work within time and health and safety, with possible bonus payments of £250/month.

Cyngor Gwynedd Council submitted a Pre Qualification tender for the new ground maintenance term contract, but did not qualify for the short list.

The heads of all schools were informed by the Head of Service Education that the ground maintenance contract would be going out to tender and had sufficient time to opt out of the contract.

3.0 PRE QUALIFICATION TENDER PROCESS

As all four contract were above the financial threshold for service contracts they had to be advertised in accordance with the Official Journal of the European Union (OJEU) regulations. The anticipated value of the Education and Leisure contract was £200k/Annum, i.e. £1.2 million over the 6 years. 25 no. contractors declared an interest in the contracts with 18 no. of these interested in the Education and Leisure contract.

Pre Qualification Questionnaires based on the OJEU format were submitted by these contractors by the 6th September 2011.

The questionnaires were assessed for various criteria including Financial Standing, Capacity, Capability, Health and Safety and scored accordingly. Consequently a short list of six contractors was obtained based on the scores obtained. The six contractors for the Education and Leisure contract scored between 93% and 98%. Details of the questionnaires and scoring process are included in Appendix 1, **this appendix is strictly confidential.**

4.0 TENDER PROCESS

Tender documents were sent to the six shortlisted contractors based on the Engineering and Construction Contract ECC3, NEC3 Term Service Contract. The contracts were based on an 80/20 Cost/Quality basis, with the quality assessment being scored before opening the financial bid. Three contractors submitted tenders, with the preferred tenderer being Glendale Grounds Maintenance Ltd of Chorley, Lancashire with an aggregate score of 94.77%, based on a quality score of 73.85% and a financial score of 100%, as they were the lowest tenderers. Contractors B and C scored 89.13% and 79.67% respectively.

It is disappointing to note that three contractors did not submit a tender, when questioned one noted that he was concerned with the obligations arising from TUPE.

The tender was awarded to Glendale on the 17th February, 2012 and is based on servicing 5 no. Secondary schools, 51 no. Primary schools, Leisure Centres and other community buildings.

As part of their Quality bid the contractor has confirmed that he will employ the 5 no. operatives employed previously on the contract, he has also committed to buy new machinery for the new contract.

Due to delays in obtaining TUPE information from Cyngor Gwynedd Council the contractor has agreed to defer the contract start date until the 1st May, 2012.

5.0 CONCLUSIONS

- 5.1 The tender process has followed the OJEU process throughout and the contract has been awarded to the contractor who provided the best value contract to the authority.
- 5.2 Contract award was undertaken under the delegated powers of the Head of Service Education.
- 5.3 Any change to the number of schools serviced by the contract will be a breach of the contract and would have financial implications for the schools and authority.
- 5.4 It is essential that the contract is supervised by the Education Service and/or by the schools.
- 5.5 The authority should consider ways in which it can assist local contractors to produce high class quality bid tender documents in order to be competitive, whilst also conforming to European and national procurement regulations.

Report by: Head of Service (Highways & Waste Management) on behalf of the Highways and Waste Management Service and the Education Service.