

## **Report to the Cabinet**

**Report reference:** C-053-2017/18

**Date of meeting:** 10 April 2018



**Portfolio:** Environment

**Subject:** Award of Contract for Arboricultural Maintenance Works

**Responsible Officer:** Qasim (Kim) Durrani (01992 564055).

**Democratic Services:** Gary Woodhall (01992 564470).

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### **Recommendations/Decisions Required:**

(1) To agree that following a procurement exercise the contract, which commences on 1 August 2018, for arboricultural maintenance for major trees that are the responsibility of the Council be awarded to Gristwood and Toms Limited, being the Most Economically Advantageous Tender under the price and quality criteria, for an initial period of five years with an option to extend by another two years.

### **Executive Summary:**

The Council has an outsourced arrangement for managing those trees across the District that it is responsible for. Tenders, received on 9 February 2018, have been evaluated by officers under agreed price and quality criteria. The company Gristwood and Toms Limited has scored the highest and it is recommended that the contract be awarded to them from 1 August 2018 for a period of five years with the option to extend by a further two.

### **Reasons for Proposed Decision:**

Under the Council's Procurement Rules, given the total value of the contract, only Cabinet can accept this tender.

### **Other Options for Action:**

To not accept the tender will mean there is no term contractor to deal with routine and emergency works on the major tree infrastructure. This cannot be recommended.

### **Report:**

1. The Council is responsible for carrying out planned and emergency tree maintenance works on circa 15,000 trees across the District. These include trees on Housing and Highways land, and also on public open spaces and woodlands areas. A significant majority of these trees are in the public realm and contribute to the street scene of the District. The Council has outsourced arrangements for maintenance of all the trees that it is responsible for. The current contract ends on 31 July 2018

2. Due to the location, age and character of the trees it is often the case that for any works to be carried out traffic management measures are required and only well trained operatives can carry out most of the works under this contract. Given the technical and specialist nature of the contract a five plus two year term was agreed as part of the tender award criteria.

3. The Council's Procurement Rules require contract award criteria as the most economically advantageous and apportion weightage to price and quality. For this procurement exercise the ratio of 60 for price and 40 for quality was agreed. The significant quality component reflects the importance the Council places on the unique green character of the District and its commitment to protecting and enhancing the green infrastructure.

4. Procurement process for appointing the next term arboricultural maintenance contractor commenced in May 2017. Due to the total estimated value of the contract procurement was carried out under the European Procurement Rules (OJEU). The official OJEU Notice was published on 27 October 2017.

5. A total of 8 companies expressed an interest in the tender by submitting Standard Selection Questionnaires (SSQ). Following an officer assessment Invitation to Tenderers (ITT) were issued through the OJEU to all 8 companies. On 9 February 2018, tenders were received from five companies. All five bids were valid and have been assessed by officers.

6. The tenders were evaluated under a price quality ratio of 60 and. This meant that out of a total of 10000 points there were 6000 for price and 4000 for quality. Each tenderer was required to submit five method statements. The score of 4000 was distributed among these method statements. Every method statement had a maximum score and officers could score from as low as 0 to as high as 5. The scores were then moderated to arrive at a single score for each Method Statement. Then the weightage for each Method Statement was applied.

7. The price score is calculated such that the lowest priced bid scores the maximum 6000 points and the rest score proportionally less. For example a bid twice the value of the lowest would score half the points. The combined score for both price and quality is noted in the table below:

Bidder	Quality Assessment (4000 points)	Financial Assessment (6000 points)	Total Score
<b>Highest scoring</b>	3200	6000	9200
<b>Second Highest scoring</b>	3200	4898.29	8098.29
<b>Third Highest scoring</b>	3200	4257.17	7457.17
<b>Fourth Highest scoring</b>	2330	3288.18	5618.18
<b>Fifth Highest scoring</b>	1640	1183.15	2823.15

8. Works under this contract fall into two main categories; routine maintenance and emergency works. One-off tree works outside the schedule of rates specification will be subjected to alternate three-quote system as at present. The volumes of routine maintenance works is well established and consists of repetitive inspection of tree stock and reactive work and the associated pruning or trimming associated with this. Emergency works are varied and depend on weather related emergencies. For example high winds can cause damage to trees and thereby increase hazard risk. For the purposes of tender assessment Bidders were provided with an example work schedule highlighting the broad range of tree species and specialist maintenance associated with

this contract. This work model was used for evaluation of the submitted schedule of rates.

9. The highest scoring tender is from Gristwood & Toms with a Total Score value of 9200 points. The submitted schedule of rates were applied to an example work model, to enable comparison of the five tenders, the lowest tender price was £177,000 whereas the second lowest came at £217,000. The results of this exercise clearly show the value for money obtained from the winning bidder for this contract.

### **Resource Implications:**

This is a contract based on schedule of rates, each item of work is priced individually and the Council only pays for the items it wants carried out. In other words the value of the contract varies year on year depending on the types of works carried out. For example if high winds and storms result in extensive damage then it is likely that major pruning or tree felling will be required. Due to this fluctuating nature of the works the yearly value of the contract varies.

The annual costs for carrying out routine maintenance, ad hoc and emergency works averages around £300,000. The budget for financial year 2018/19 has been estimated at £302,000, which is based on a combined EFDC services allocation of just over £203,000 and external funding from ECC Highway of £99,000

### **Legal and Governance Implications:**

Local Government Act 1974, Wildlife and Countryside Act 1981, British Standard Recommendations for Tree Work, Health and Safety at Work Act 1974, Managing Health and Safety at Work Regulations 1999, New Road and Street Works Act 1991.

Financial Regulations/Procurement Rules.

Griswood and Toms accounts show the company to be in a very healthy state. A credit check has been carried out using a credit check tool which has assessed the company as being a very low risk of failure.

### **Safer, Cleaner and Greener Implications:**

The Council is responsible for looking after all the trees that are on its land. By awarding a contract to a competent arboricultural contractor the Council ensures that all the trees are maintained in accordance with best practice and that their health is monitored and fostered. This both improves the District's street scene and reduces the risk of injury and harm to the public.

The District's tree stock is part of the special character of the District and adds considerable amenity value. Looking after and maintaining the tree stock to a good standard enhances the green and unique nature of the District. This serves to conserve and enhance the living environment that residents and visitors enjoy.

The major tree works contractor is responsible for responding to emergencies when trees cause obstruction on the public highway. This includes responding to calls for assistance from District and County officers, the Police and members of the public who report fallen and damaged trees.

The tender specification ensured that the tree assets that come under the responsibility of the District Council are managed in the correct and most economical way by including such items as:

- Experience/training of staff undertaking the work.
- Appropriate plant and equipment provision.
- Site Management.

- Health and Safety.
- Road Traffic Management.
- Working Hours.
- Reinstatement works.
- Tree surgery designation.
- Emergency works.
- Complaints and faults.

**Consultation Undertaken:**

Essex Procurement Hub

Head of Commissioning at Essex County Council in respect of the ongoing maintenance by the District Council of all Highway Trees in the District.

**Background Papers:**

Cabinet report of 19 April 2010 to award the first five year contract to Gristwood and Toms Limited,

Portfolio Holder Report of 13 May 2015 to agree a two year extension, permitted under the terms of the contract, to Gristwood and Toms Limited,

Portfolio Holder Report of 11 April 2017 to agree a further one year extension to enable further discussions with Essex County Council on the future management of highway trees,

Portfolio Holder Report of 26 June 2017 to agree the tender award criteria and term of the next contract,

**Risk Management:**

Arboricultural work can be highly dangerous if undertaken by inexperienced staff or with inferior plant and equipment. For this reason the specification is carefully prepared to fully explain the Council's requirement on this contract and thus minimise the Risk to the Council from third party injury.

If the tree stock is not maintained then the health of the stock will deteriorate, resulting in potentially more accidents and claims for damages and injury against the Council.

This contract enables economies of scale offered by combining all the trees in the public realm, those that are the responsibility of: Essex Highways, Housing and EFDC. Whereas the Council has allocated sufficient funding to undertake maintenance work on the trees it is responsible for Essex Highways allocates funding on an annual basis. There is an implicit possibility of the withdrawal of the yearly award of funding for the management of Highway trees, if it were to happen a third of the work load would be removed from the contract. This could potentially result in a claim for loss of income by the contractor against the Council. Tenderers have been made aware of this risk.

**Equality Analysis:**

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix to the report.