

Cabinet Report

Report of Head of Corporate Strategy

Author: Ian Matten

Telephone: 01491 823833 / 01235 540373

Textphone:

E-mail: ian.matten@southandvale.gov.uk

Wards affected: All

Cabinet member responsible: David Dodds

Tel: 01844 216794

E-mail: david.dodds@southoxon.gov.uk

To: CABINET

DATE: 21 October 2011

Report No. 33/11

Cabinet member responsible: Reg Waite

Tel: 01235 861779

E-mail: reg.waite@whitehorsedc.gov.uk

To: CABINET

DATE: 21 October 2011

Appointment of suppliers to the grounds maintenance framework agreement and a supplier for the councils grounds maintenance service

Recommendation(s)

- (a) That Cabinet appoints suppliers one, three, five, six and eight to a framework agreement for the provision of grounds maintenance services.
- (b) that Cabinet appoints supplier eight to a joint contract for South Oxfordshire and Vale of White Horse district councils for the supply of grounds maintenance services for a five year period with the option to extend for a further three years.
- (c) that Cabinet authorises the head of service for corporate strategy in consultation with the head of legal and democratic services to finalise terms and conditions and enter into contracts on each councils behalf.
- (d) that Cabinet delegates authority to the head of corporate strategy in consultation with the relevant cabinet member to extend the joint contract for a period of three years, subject to satisfactory performance.

Purpose of Report

1. This report recommends that cabinet approves the appointment of five suppliers to a grounds maintenance framework agreement from which one is appointed, via a single

drawdown contract, for the delivery of the councils' joint grounds maintenance service.

Strategic Objectives

2. The proposed contract award contributes to the shared strategic objective of managing our business effectively by making a financial saving for the councils whilst providing a service that meets the needs of our residents.

Background

3. The current grounds maintenance contracts at both authorities end in December 2011 following two year extensions and therefore a procurement exercise was required in order to continue providing this service. A report was presented to cabinet earlier this year where a joint specification was approved.
4. To ensure officers were clear on the most appropriate procurement route, advice was sought from the councils' procurement hub officer. We also took advice from the cabinet office, who confirmed that grounds maintenance is a Part B service and therefore did not need to be advertised in the Official Journal of the European Union (OJEU) publication. However, in order for other Oxfordshire organisations to be able to buy into the service we were advised that we should establish a framework agreement rather than follow the traditional single contract tendering route.
5. The authorities are procuring this framework agreement under the councils' restricted tender process in accordance with the EU directive 2004/18 as required by the UK Public Contracts Regulations 2006. The recommendation is to appoint five suppliers to the framework agreement.
6. By establishing a framework agreement it allows Other Contracting Bodies (OCB's) the option to purchase the service either by direct award or following mini competition from any of the suppliers appointed to the framework. Other OCB's that have expressed an interest in using the framework agreement are the other district councils including Oxford City , Oxfordshire County Council, parish councils, schools and colleges and members of Oxfordshire Community and Voluntary Action group.
7. From the five suppliers appointed to the framework agreement officers recommend awarding, via a single drawdown contract, a five year contract with an option to extend for a further three years. This contract should be awarded to the supplier offering the most economically advantageous tender to South Oxfordshire and Vale of White Horse district councils.

Procurement process

8. The first stage of the process was to advertise for expressions of interest. In total 17 suppliers submitted completed pre-qualification questionnaires in June 2011. These were evaluated according to technical capacity, professional ability and financial standing.
9. Nine suppliers were short listed and issued with invitations to tender with a return date of 14 September 2011. Eight tenders were submitted.
10. The tenders were evaluated based on a weighting of 60 per cent price and 40 per cent quality in accordance with current council policy. There were four pricing

schedules that the suppliers priced against which were each evaluated and combined to give a total price score. The 40 per cent quality evaluation considered how the supplier proposed to undertake the work identified within the approved specification and were evaluated in accordance with the criteria specified in the tender documents.

11. The scores achieved by each of the tenders are shown in table one below. The names of the individual suppliers are shown in (exempt) annex one.

Table one: evaluation matrix (Maximum 2000 points)

Supplier	Price	Quality	Total	Ranking
one	942	661	1603	2
two	738	642	1380	7
three	1012	514	1526	5
four	860	438	1298	8
five	1036	562	1598	3
six	946	604	1550	4
seven	794	659	1453	6
eight	1142	610	1752	1

12. From the table the top five ranked suppliers can be identified and on that basis officers are recommending that suppliers one, three, five, six and eight are appointed to the framework.
13. Supplier eight is ranked first and is offering the most economically advantageous proposal for South Oxfordshire and Vale of White Horse district councils with a total combined score of 1752 points. This supplier scored the highest number of points for their financial submission and achieved the fourth highest score for quality. On that basis officers are recommending that supplier eight is appointed to the joint contract for South Oxfordshire and Vale of White Horse district councils.

Options

14. No other options were considered because the evaluation of the tenders clearly identifies the five highest scoring companies and that supplier eight is offering the most economically advantageous proposal for the council.

Financial Implications

15. The current annual contract values for each authority are:

South Oxfordshire District Council = £169,050

Vale of White Horse District Council = £432,108

Total = £601,158

16. The tender bid received from each supplier for the routine maintenance work is shown in table two along with the cost that would be incurred by both councils:

Table two – Commercial Proposal for routine work

Supplier	Bid	South	Vale
one	£517,153.67	£77,203	£439,950
two	£731,496.66	£110,108	£621,388
three	£441,072.57	£66,199	£374,873
four	£578,039.61	£80,182	£497,857
five	£473,204.36	£71,614	£401,590
six	£575,545.59	£73,695	£501,850
seven	£567,547.47	£81,170	£486,377
eight	£403,229.17	£61,919	£341,310

17. If supplier eight is appointed the councils will make the following savings per annum, South £107,131 and Vale £90,798. This equates to a combined saving of £989,645 over a five year contract term and a saving of £1,583,432 if the councils choose to take up the option to extend the contract for a further three years.

18. A detailed financial check has been undertaken of the top five ranked suppliers and all have a minimal risk of failure with nothing in the reports that should give the councils cause for concern.

Legal Implications

19. Working closely with the legal and procurement teams the procurement process has followed the councils restricted tender process in accordance with the EU directive 2004/18 as required by the UK Public Contracts Regulations 2006. All suppliers have been kept informed of the process throughout. A contract award notice for the appointment to the framework will be published and the required standstill period will elapse before formal agreements are entered into.

20. The councils are required to enter into formal agreements with each of the five suppliers to be appointed to the framework agreement.

21. The councils are required to enter into a formal drawdown contract with the preferred supplier.

Risks

22. There will be an increased risk in the commencement of a new joint contract for the provision of grounds maintenance for both councils. This will be mitigated as follows:-

- By robust monitoring of the contract delivery envisaged by the performance management processes specified
- By the provision by the contractor of a performance bond in the sum of 10 per cent of the contract value

23. Should there be major issues resulting in a decision to terminate it would be open to the councils to drawdown under the framework agreement proposed above.

Other Implications

24. None

Conclusion

25. Supplier's one, three, five, six and eight offer the best proposals out of the eight suppliers that responded and both cabinets are asked to appoint them to the framework agreement.

26. Supplier eight has submitted the tender which is the most economically advantageous to the councils. Awarding the contract to them will result in significant financial savings for the councils, both cabinets are asked to approve the award of a contract to supplier eight.

Background Papers

- None