

LBHF Grounds Maintenance Contract Re-Procurement – Key Lines of Enquiry

This is a summary of Response from 6 contractors attending workshops with LBHF on the following questions

Topic		Question	Response
Procurement	1	<p>Procurement Process. We are currently planning to procure this new contract through a Competitive procedure with negotiation. This has a pre-qualification stage, and then invitation to tender, with the option of then negotiating with some or all of the tenderers.</p> <ul style="list-style-type: none"> • What would providers suggest is the ideal timescale for this process? • What key elements should be considered by the Council in preparing its requirements for the contents of a tender return? • How can we maximise the attractiveness of this contract opportunity? 	<ul style="list-style-type: none"> • Time requested for procurement process ranged from 12-24 weeks and would easily fit into our allowed 38 weeks. The overall Timescale to start in February 2022 was thought by all to be reasonable and would avoid starting in the busy March/April period. • Key Elements suggested included: <ul style="list-style-type: none"> • An opportunity to comment on a specification before pricing would be valued. • Negotiation essential to provide enough time. It's the way forward and a good way of ironing out details, an opportunity to de-risk and value engineer to achieve the best value. • Pulling together accurate and detailed source data. E.g. No. of Pitches, furniture, features trees, play areas etc. and TUPE data. • Site visits from both parties; for the contractor to understand the specifications, maps and bills and for the client to inspect existing contracts, depots and take up references. • Proper evaluation especially of low bids. If it's too low someone has not included something. Bids need to be able to be easily evaluated against each other on a quality basis. • The Contract could maximise its attractiveness by:

		<ul style="list-style-type: none"> Do you have any views on the Councils intended price /quality evaluation split of 50%/50% 	<ul style="list-style-type: none"> Demonstrate we want a high-quality service and good employment practices An output rather than input based specification to allow suppliers to use their expertise and be more flexible. Clear terms, indexation linked to a blend of earnings and RPI, minimal risk and a high value (more services) A long contract allowing opportunities for social and commercial innovation One supplier suggested we reserve some aspects of the contract under Section 20 Most thought the evaluation should be 60/40 quality/price and that evaluation of quality including weighting and priorities needs to be clear to avoid low bids with fewer resources, little flexibility, contingency, partnership working or social value. One bidder suggested a higher Quality ratio at the first round. One bidder suggested a 100% quality evaluation based on a fixed budget.
<p>2</p>		<p>Input/output-based Specification.</p> <ul style="list-style-type: none"> Do providers have any views or preference for frequency or performance-based specification, or should this be a mixture of the two? And for what reasons? What are the provider's experiences of effective or ineffective specifications? What works well, what not so well? 	<ul style="list-style-type: none"> Generally, a performance-based specification was preferred as; the quality would be higher, some said client monitoring is easier and it's a better model for partnership working. As the risk of unforeseen work is with the contractor the price is likely to be higher, and evaluation of tenders is more difficult but all contractors will use indicative frequencies anyway so this could be used as a benchmark. A Hybrid specification was also suggested as a possibility. using a resource-based contract and open book partnership approach to ensure best value for residents and flexibility to the Council. Some examples of specifications which have worked well included: <ul style="list-style-type: none"> Correctly defined; Too tight and the price will be too high or the standard unachievable, too loose and price and quality will be too low. Good information on what has happened previously, especially if specification and current practice do not line up. Strong partnerships which reflect local needs and priorities Unfair risk is not passed to contractor (it will increase cost)

	<ul style="list-style-type: none"> Which KPI's have worked well and why? Which ones have proved to be ineffective and why? Have you used an alternative penalty system for rectifications and defaults other than KPIs? 	<ul style="list-style-type: none"> Examples of KPI's that have worked well included: <ul style="list-style-type: none"> Not Too many. Need to be objective, unambiguous and relevant Not disproportionate penalty Must be tolerant i.e. Recognition that Perfection is not a realistic standard Satisfaction based payments this could be linked to a resident's survey but must be reasonable. Less ideas were provided around alternative penalties that could be used. One was a suggestion that any default fine is put into an innovation fund which could be used to fund improvements in parks.
3	<p>Contract Duration. The council is considering a 7 year plus 7-year contract.</p> <ul style="list-style-type: none"> What would your ideal length of the contract be, and your reasons including level of capital investment and whole life costs? 	<ul style="list-style-type: none"> Generally, multiples of 5 years were preferred for contract duration. This ties in with the general leasing options for machinery (5 years) and (10 years) for vehicles. Some thought the industry had moved beyond the lease-based system but all agreed the longer the better as it would allow more investment opportunities in staff, community, innovations and improvements to sites and facilities.
4	<p>Form of Contract</p> <ul style="list-style-type: none"> The Council is considering a bespoke form of contract based on its standard services contract or similar. Are there any standard contract forms that you consider are suitable instead? What do you think is best practice in terms of the division of responsibilities & risk between the Council and the Contractor? 	<ul style="list-style-type: none"> All agreed a bespoke contract is required, off the peg contracts are too generic. Specialist consultants were suggested as the source of a good form. Risk and reward need to be balanced. Risk passed to the contractor will increase cost.
5	<p>Change control process. Do you have any comments about the best way to structure the change control process, including valuation of the change?</p>	<ul style="list-style-type: none"> Change control will affect profit, must be transparent and will probably require negotiation. Open book accounting and allowing the client time to benchmark shows due diligence. A change control tool was offered by one supplier.

	<ul style="list-style-type: none"> • What are your experiences of in-contract change, risks and significant contract and commercial implications? 	<ul style="list-style-type: none"> • Wide variety of issues discussed mostly covered in above
5	<p>Innovation and development. What relevant technical or procedural developments in the industry are on horizon? This could be related to regulations or best practice e.g.</p> <ul style="list-style-type: none"> • Which alternative methods are you able to offer to chemical (herbicide/pesticide) spraying/treatment of pests, diseases etc.? • How have you reduced your carbon footprint over the past 7 years and how do you plan to further reduce this? How could the Council support this especially in reduction of emissions and the requirement for electric vehicles? • What opportunities for improvement can you identify in separation of waste, recycling and green waste? • Please indicate any contractual mechanisms that you think would be beneficial to incentivise investment in such innovation over the term of the contract. 	<ul style="list-style-type: none"> • No additional experience in Herbicide free weed control was demonstrated beyond our experience. (Hand weeding, alternative planting and geomembranes were mentioned as alternatives) If this is to be within the contract it will have practical and cost implications which need to be clear in the specification. • Electric Vehicles and tools were mentioned by most as methods of reducing carbon footprint. Some already use electric/hybrid vehicles but some do not think them up to the task. Are suppliers ISO 14001 accredited • Community composting schemes and biofuel were mentioned as Green waste recycling options. Currently all green waste is recycled as mulch but large space and cost of shredder is required. Segregated bins and vans would help recycling but these are minimal savings recyclables are so light it's not worth it in commercial terms. Need to know how much waste we have in the first place to get a benchmark. There is a lot of contamination and separation is expensive. Segregation could be put in place when picking. • Innovations Forum built into contract could develop ideas on capital investment, spend to save, social value, environmental benefit or showcase new technologies
6	<p>Employment terms.</p> <ul style="list-style-type: none"> • H&F is London living wage accredited authority. https://www.livingwage.org.uk/ Do you already pay the London living wage and does this apply to your sub-contractors? 	<ul style="list-style-type: none"> • Most already pay the London Living Wage.

		<ul style="list-style-type: none"> Do providers see any issues with the EU working time directive? Do providers foresee any TUPE complications for employees due to the effect of Brexit on recruitment and contractors' supply chains? 	<ul style="list-style-type: none"> None saw any issues with the EU working time directive. Some mentioned a probable uplift in labour rates following Brexit.
Service Considerations	7	<p>Branding. What value do providers place on their own brand and can more prominent Council branding be achieved (e.g. through staff uniforms) without resulting in a negative impact? What negative and positive impacts would you foresee?</p>	<ul style="list-style-type: none"> All saw branding as important for; pride resident satisfaction and identification for additional contracts within the borough.
	8	<p>Social Value. The council is in the process of adopting a new policy on social value, especially on employment and training opportunities for the local community, and engagement with local businesses.</p> <ul style="list-style-type: none"> What social value initiatives do you foresee working best in a contract of this type? Please consider all forms of social value - economic, social and environmental? 	<ul style="list-style-type: none"> All suppliers saw the benefits of Adding Social value including: <ul style="list-style-type: none"> Need to upskill work force. Horticulture does not always have a good reputation with young people Apprentice. Schemes could also look to local schools. One bidder expressed a desire that a small part of the contract should be let under Section 20 of the public Contracts Regulations 2015. Either reserved for operators whose main aim is the integration of disadvantaged persons or, ensuring that part of the contract has 30% of disadvantaged workers. We discussed the possibilities of one park, or one operation such as Foam stream being let in this way helping disadvantaged groups in find work. Community participation, volunteering and work taster sessions for disadvantaged, Dementia, Elderly and disadvantaged gardening schemes, working with voluntary sector partners e.g. Mental wellbeing initiatives Environmental projects such as Tree planting with local schools and groups Measuring carbon reduction and energy consumption against an agreed baseline.
	9	<p>Quality. The vision of H&F Council includes the goal of being ruthlessly, financially efficient. How do your standards and methods of working ensure that this does not mean a loss of quality?</p>	<ul style="list-style-type: none"> Main proposal around quality monitoring was the use of hand-held devices which staff can use to log and complete works with a transparent dashboard and client log in. This would not seem to be compatible with

			<p>the Councils Confirm Database.</p> <ul style="list-style-type: none"> Resident surveys were also seen by some to be an option as well has having Staff dedicated to particular areas but multi skilled able to take ownership of their work.
Financial Considerations	10	<p>Cost drivers. What are major cost drivers and how could the contract or service model be adjusted to promote the best financial efficiency and further drive down costs - e.g. energy efficiency savings, alternative staffing or payment models?</p>	<ul style="list-style-type: none"> major cost drivers identified as: <ul style="list-style-type: none"> Major costs are staff, fuel and equipment. Static Staff seen as a particular increase in cost. Increased risk. Chemical free weeding. Innovation is expensive The No. of services. More would give economies of scale. Having a performance-based contract. Input based would be cheaper. KPI's will influence cost (Quality) Can the spec have options? Other suggestions included; Reducing annual planting and playing pitches, more perennials and long grass, managed neglect, geomembranes and water retention granules, and maximising income on sports and events.
	11	<p>Income and commercial opportunities.</p> <ul style="list-style-type: none"> What opportunities can providers identify to generate increased income from related sites and services? Do providers see any opportunities for sponsorship in the service? 	<ul style="list-style-type: none"> Opportunities to improve efficiency of contracts and machinery by shared overheads perhaps other local contracts. Maximising sports and events income. There needs to be more control over the sports facilities as it affects the income. Green waste sold as biofuel/plant sales
	12	<p>Capital investment.</p> <ul style="list-style-type: none"> What specific opportunities for capital investment or infrastructural development can providers identify in the borough that would deliver an improved financial efficiency for the contract? 	<ul style="list-style-type: none"> Themed parks, play facilities, adventure Golf, Go Ape, Flood lit tennis all have the risk of not being authorised by members friends' groups or planning. Likewise, commercial sponsorship and advertising. Have to balance income generation with needs of local people Should not be part of the contract but the opportunity should be there.

		<ul style="list-style-type: none"> • Would bidders prefer to acquire (purchase or lease) fleet vehicles and machinery, or would council purchase or lease be more attractive to the bidders? • The Council is making works depots available on a rent free/ full commercial rent basis. What is the preferred form of tenancy? (e.g. core landlord or full repairing lease) 	<ul style="list-style-type: none"> • Council funded fleet would be well received by some others would prefer to buy own • Depots: License to occupy or an internal repairing lease would be preferred to a full repairing lease. Peppercorn rent best value as commercial rent would drive up the cost.
	13	<p>Payment. The Council is able to offer payment in advance for this service. What advantages could this help you provide to the Council?</p>	<ul style="list-style-type: none"> • Some though this would offer no advantage others thought a saving up to 100K per annum on a £1Million payroll might be achieved
Other	14	<p>Finally. Do you have any other questions, comments, concerns or ideas about how an efficient, quality service could be offered to our residents and visitors?</p>	<ul style="list-style-type: none"> • None identified
Trees	15	<p>Trees. A subsequent question was asked by e-mail after the workshop if the suppliers had any views on the management of trees within the contract.</p> <p>Our preference is for one contract to cover both parks and other e.g. highways trees, Tree inspections and reports would remain within the council but works would be procured from a term contractor either:</p> <ol style="list-style-type: none"> 1. To let tree works as a Lot within the GM contract allowing small specialist firms and GM suppliers to bid 2. As above but allowing GM suppliers to partner with an arboricultural contractor within the main contract. 3. To let tree works as part of the Highways contract. The appointed contractor would act as a nominated contractor within the GM Contract. 	<ul style="list-style-type: none"> • Generally, suppliers preferred option 1, keeping tree works within the scope of the contract but allowing subcontracting with smaller specialist companies. • Using an in-house staff would provide best value through: economy of scale; efficient deployment of resources during emergencies/peaks in workload and planned service quality; reduced risk; and ease of management and monitoring. A subcontractor would diminish some or all of the advantages to be gained from in-house delivery. • Some thought Option 3 may mean parks work suffers from prioritisation. • Some mentioned that the Tree Lot would be less complex and would not need the ongoing Dialogue and discussion that the other lots would.

