

**Wards Affected:**

*All Wards in Milton Keynes*

**REVIEW OF LANDSCAPE MAINTENANCE AND ASSOCIATED SERVICES**

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**Executive Summary:**

The Council's current open space maintenance responsibility runs to 10,424,650 square metres (sq m) of grass, with 114,000 trees, around 520 play areas, over 900,000 sq m of woodland and an assortment of lakes. The maintenance budget is around £3 Million. Existing maintenance operations include grass cutting, annual shrub maintenance and a tree management programme.

Landscape maintenance functions, including grass mowing, weed control, shrub and hedge maintenance have not been put out for market test (tender) in respect of quality and cost since 2008/9. This report recommends that the Cabinet approves a tender process as detailed in this report.

The procurement will enable the recommendations of the Transport & Environment Select Committee (July 2012) and objectives of the recently emerging Open Space Strategy to be realised. The emerging strategy recognises that some land currently controlled by the Council may make more sense to be under the control of independent organisations such as the Parks Trust and local Parish Councils and the proposed tendering arrangements would not impede this process.

**1. Recommendation(s)**

- 1.1 That tenders be invited for a Landscape Maintenance and associated services contract for a 5 year period, with potential to extend for up to a further 5 years to include:
  - (a) Grass cutting, shrub maintenance (including planting), weed control within parks, open spaces (including lake areas) and highways;
  - (b) Play area inspections and maintenance;
  - (c) grave digging and landscape maintenance of graveyards, cemeteries and the Crematorium; and
  - (d) arboriculture services.
- 1.2 That in the event that feedback from the Industry requires any changes to the intended approach (as set in recommendation 1.1 above), the Cabinet Member for Communities be authorised to approve the final tender approach as a Delegated Decision.

## 2. **Issues**

- 2.1 Milton Keynes Council borough was divided into a number of geographical contract areas, and was tendered regularly with the Central area tendered in 2008. Over the years Milton Keynes Council's in house services have won all of the contracts which were previously offered to market.
- 2.2 The Council currently spends around £3M per annum on the delivery of this service. Given that 10-12 years has elapsed since all the services were tested in the open market it is to be considered whether landscape maintenance operations should be tendered. This will ensure that services are being delivered at the best value possible.
- 2.3 It is further proposed to take this opportunity to review how these contracts are arranged and specified in line with Transport and Environment Select Committee recommendations earlier this year (July 2012).
- 2.4 Up to the present time, an "input" service model has been used specifying, for instance, how many times the grass is to be mown. The Select Committee recommended that an "output" tender should be explored, specifying what standards should be delivered by a partner/contractor. For example, that the grass and shrubs should be kept within a specified height and condition range
- 2.5 Initial engagement has taken place with the market and it indicates that there is interest in such a contract. Further engagement is planned with an Industry Day to be held on 14 February 2013 and a questionnaire. This is part of our pre-tender consultation to present our requirements for the contract and obtain feedback from participants and to refine our procurement approach.
- 2.6 In anticipation of the Cabinet decision, a Prior Information Notice (PIN) was published in the Official Journal of the European Union on 17 December 2012 inviting companies to express an interest and obtain feedback about a potential procurement process.
- 2.7 Staff affected have been notified and unions will be engaged.
- 2.8 The MEAT (Most Economically Advantageous Tender) evaluation of the tender will be as follows:
  - (a) Price @ 50%
  - (b) Quality @ 50%
- 2.9 The length of the contract will be 5 years and provision to extend for up to 5 years (subject to feedback from Industry). A period of 5 years is needed to return the capital investment for the purchase or leasing of vehicles and equipment to operate the contract.
- 2.10 The contract will be packaged in separate lots to enable local businesses to potentially compete and to bring together associated activities, whilst balancing the need for economies of scale and to improve service delivery.

2.11 Now that the Milton Keynes Development Partnership (MKDP) has been formed, this procurement will need to include the potential for the appointed contractor to maintain land on behalf of the MKDP. Therefore appropriate provisions will be incorporated into the tender documents and resulting contract.

### 3. Options

3.1 The options for landscaping and related maintenance are:

(a) Do Nothing

Continue to manage in-house the landscaping service to all open areas within the borough of Milton Keynes. This would not be the preferred option as the Council has not carried out any market testing for a number of years.

(b) Procurement

Go out to tender with Industry to procure a 'value for money' contract where the Council is able to maintain an agreed service level within the agreed budget and with an appropriate transference of risk to the contractor.

### 4. Implications

4.1 Policy

The Open Space Strategy is currently being revised and the new contract will meet the objectives in that Strategy. The strategy recognises that some land currently controlled by the Council may make more sense to be under the control of independent organisations such as the Parks Trust and local Parish Councils. The emerging Open Space Strategy seeks to shape the future public open space across the Borough for the next 10 years to provide a vision that can be drawn upon:

*To ensure the public accessible open space in Milton Keynes reflects and supports the positive participation, aspirations and activities and activities of the community it serves. That all owners and managers of these spaces work together to deliver a sustainable green network: that can adapt to change, supports a functioning ecosystem and a prosperous community.*

In light of the Strategy, the contract will have provision to novate, or transfer, all or part of the contract to other organisations as appropriate.

It contributes to the delivery of the outcomes of the Corporate Plan themes:

- Visiting MK
- Working in MK

- Living in MK
- World class MK
- Cleaner, greener, safer and healthier MK

#### 4.2 Resources and Risk

*Resources:* A one off sum of £300,000 has been allocated for the procurement costs as a “spend to save” initiative. Savings through the procurement are expected and likely savings and other benefits are anticipated to be greater. The Medium Term Financial Plan includes the cost of the current services.

*Staffing:* In order to deal with the challenges in landscaping and the contract mobilisation, staff that currently deliver the service would TUPE across to the new provider.

*Asset Management:* The Council owns the existing depot at Bleak Hall, where the landscaping service is operated from. It is one of the questions for the industry Day whether the depot will form part of the contract and be used by a new provider. This needs to be considered with the wider requirements such as the Highways - Street Lighting and Network Infrastructure Term Maintenance contract. The depot is included in the Service Asset Management Plan.

*Risks:* The main risks are that the tender process does not provide significant savings and / or does not obtain service improvements.

N	Capital	Y	Revenue	Y	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

#### 4.3 Carbon and Energy Management

The tender would consider the Council’s Carbon Energy Management Policy in preparing the specification, and within the evaluation criteria.

#### 4.4 Legal

The Council has a duty to maintain land it owns and keep safe the public on public open space.

The procurement of the Landscaping Contract will be completed in accordance with the requirement of the Public Contracts Regulations 2006 and subject to European wide advertising process due to the contract values. The contract will be procured in accordance with the Council’s procedures.

#### 4.5 Other Implications

*Equalities:* Equality considerations will be taken into account in the preparing the specification and the tender evaluation.

*Sustainability:* Environmental initiatives and impacts will be considered in the tender evaluation.

*E-Government:* E-procurement will be used with the council's Intend system.

*Stakeholders:* Consultation will be carried out with service related Industry.

*Crime and Disorder:* Good landscape maintenance contributes positively in the reduction of crime and disorder.

Y	Equalities/Diversity	Y	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	Y	Crime and Disorder

Background Papers:           None