

**Wards Affected:**

All Wards

**PROVISION OF PEST CONTROL SERVICES BY A CONCESSIONARY CONTRACTOR – DECISION TO PROCEED TO TENDER (REF:CU2346)**

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**Executive Summary:**

This report is seeking approval to commence the tender process for the award of a 3+1+1 year concessionary council contract to provide pest control services to residents within the borough. This is to enable the continuity of a reduced cost service to those residents in receipt of means tested benefits.

**1 Recommendation(s)**

- 1.1 That the commencement of tender processes for the procurement of a 3 year concessionary contract to provide Pest Control Services to residents within the borough be approved, with the provision to extend by 2 further years in 1 year increments be approved.

**2 Background**

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 This report requests approval to obtain tenders for the provision of a 3+1+1 year concessionary council contract to provide pest control services to residents within the borough. A key feature of engaging a contractor in this manner will be the continuation of the same subsidised rates for those on state benefits or of pensionable age as provided by the previous in-house service.
- 2.3 Milton Keynes Council discontinued its in-house pest control service in July 2012. The intention is to now secure a concessionary provider from the private sector to ensure the public health of our residents, through the provision of a quality service at rates affordable to all. This is to meet the political objective of ensuring we maintain reduced costs to residents in receipt of means tested benefits or of pensionable age.
- 2.4 This is not a statutory service but in order to maintain public health for those in most need we are seeking, at net nil cost to the council, to recommend one provider who meets high consumer standards and will offer a discount to those of pensionable age or on means tested benefits. This is particularly important with the upcoming welfare reforms and how that will impact on personal finances.

2.5 The contract is designed to enable reduced cost services to residents and also to provide a service where required by internal services such as Housing. There will be a minimal cost of contract management throughout the life of the contract but this will be managed as part of the overall management of the council's Buy with Confidence scheme.

## 2.6 Consultation

2.6.1 The specification has been developed in partnership with the relevant Cabinet Member and the following key stakeholders:

- Ward members
- Parish and town councils
- Affected charities and businesses
- All relevant colleagues within the council itself

## 2.7 Specification

2.7.1 The procurement seeks to deliver the following service objectives (in broad terms):

- A service provider who has been background checked by the Council's Regulatory Unit.
- A service provider with a proven track record in providing a high quality, professional service to the public.
- A service provider who will continue to provide the same subsidised rates for those on state benefits or of pensionable age as the previous in-house service.

2.7.2 The Specification is comprehensive, however some key aspects of performance and quality can be summarised here as follows:

- The contractor must have previous demonstrable experience of operating a quality pest control service
- The contractor will provide pest control services as required for departments within Milton Keynes Council.
- The contractor must demonstrate through at least basic CRB checks that all persons working in resident's homes or places of business a consumers home have no offences which would be of concern (e.g. fraud or violence etc)
- The contractor should have no County Court Judgements listed against it.
- The contractor should not be subject to a level of complaint to Trading Standards or equivalent European consumer protection organisation which would cause concern sufficient to cast doubt on their ability to trade correctly within the applicable law.

- It shall be a condition of the contract that the contractor will hold, at their own expense, a valid policy or policies of a Public Liability Insurance with a minimum cover of £5 million for any one claim in respect of any obligations or potential liabilities arising out of the performance of the contract.
- The contractor must have an adequate customer complaints procedure
- The contractor must train staff as appropriate and ensure that up to date training records should be available for inspection.
- The contractor will in every applicable instance provide a 50% discount from their standard total service price for members of the public who are of pensionable age or claiming state benefits.

2.7.3 The new contract will be structured to deliver affordable pest control services to all residents within the borough and as previously stated, does not impact on Council budgets.

## 2.8 Evaluation Criteria & Panel

2.8.1 The MEAT evaluation of tenders will be as follows:

- a) Price @ 70%
- b) Quality @ 30%

2.8.2 The quality evaluation criteria will also have sub criteria that reflect the relative importance of staff training, safe working practices, effective complaints procedures, channels of communication etc.

2.8.3 Tenders submitted will be evaluated by a panel comprising of Team Leaders and Senior Management within the Regulatory Unit. Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

## 2.9 Contract Terms and Conditions

2.9.1 Tenders will be sought for a contract period starting on 2<sup>nd</sup> September 2013 .

2.9.2 The contract will provide for an extension of up to 2 years, subject to satisfactory performance.

2.9.3 The Council's standard Terms and Conditions for contract for Concessionary Services will be used.

2.9.4 The Council's Senior Client Officer for the procurement is the Head of Regulatory Unit and for the management of the contract, it is the Team Leader – Inspections Team.

## 2.10 Project and Contract Management

2.11 Responsibility for the management of the contract will rest with the contract officer. The contract officer will hold quarterly meetings with the service provider

to ensure that they continue to adhere to the contract specification. During the life of the contract the supplier will be required to provide feedback forms to customers, so that the contract officer can see what level of service continues to be provided in the community.

2.12 The Council's Project Manager for the procurement is the Head of Regulatory Unit.

### **3 Alternative Options**

3.1 The following options appraisal has been conducted:

1. Do nothing – the free market governs the supply and cost of services to residents.
2. Open a (single stage) tender to secure a concessionary provider from the private sector to ensure a quality service at rates affordable to all. (preferred)

### **4 Implications**

4.1 Policy

4.2 The award of this contract will progress the following priorities/outcomes within the Corporate Plan 2012-16: That as part of the Council's vision, residents have access to all the services they need and have the support to access opportunities and enjoy a healthy and good quality of life. That under Theme 2.5 Cleaner, Greener, Safer, Healthier MK, residents are healthy and have a sense of wellbeing.

4.3 Resources and Risk

4.3.1 There will be a minimal cost of contract management throughout the life of the contract but this will be managed as part of the overall management of the Buy with Confidence scheme.

4.3.2 The Risk Assessment for this contract is available if requested or directly via Member's access to GRACE.

4.3.3 In summary:

- The key OPPORTUNITY secured by this contract is securing a concessionary provider from the private sector to ensure the public health of our residents, through the provision of a quality service at rates affordable to all. It is assessed that the delivery of this contract provides a HIGH likelihood that we will secure the opportunity defined, providing MKC with a HIGH positive impact.

- The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Poor specification	L	Previous insight from in-house service, under consideration for some time
Poor timing in market	L	Always a demand for such services
No bids received	L	Large and growing market for service provider

The mitigation set out in the table above provides a basis to conclude that these threats, properly managed, represent a LOW Likelihood with a MEDIUM Impact.

#### Resources & Risk Implications

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

#### 4.4 Carbon and Energy Management

4.5 N/A

#### 4.6 Legal

4.6.1 This recommendation complies with MKC rules, UK and European legislation.

#### Other Implications

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

This arrangement will have a positive impact on those who are of pensionable age as they will receive a concessionary rate for pest treatment.