

CABINET

19 APRIL 2011

GATEWAY 4 PROCUREMENT POST PROJECT COMPLETION REVIEW: GROUNDS MAINTENANCE, BEREAVEMENT SERVICES

Portfolio Holder: Councillor Janice Bamber, Customer First and Corporate Services

Report from: Richard Hicks, Assistant Director Customer First, Leisure, Culture, Democracy and Governance

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Summary

This report provides Cabinet with a review on the progress of the Bereavement & Registration Services – Grounds Maintenance Contract, which is currently awarded to The Landscape Group (which was previously English Landscapes).

This is based upon the procurement process which was undertaken during 2008 and which led to an award of contract on 1 September 2008.

The commencement and delivery of this procurement requirement was by the Cabinet on 17 July 2007 (decision 140/2007 refers). The subsequent approval for contract award was provided by the Cabinet at Procurement Gateway 3 on 24 June 2008 (decision 149/2008 refers).

This Procurement Gateway 4 report has been approved for submission to Cabinet after review and discussion at the Business Support Directorate Management Team meeting on 22 March 2011 and the Strategic Procurement Board on 30 March 2011.

1. Budget and Policy Framework

1.1 Post Project Appraisal / Contract Management

- 1.1.1 This procurement post project appraisal and its subsequent review is within the Council's policy and budget framework and ties in with all the identified Core Values, Strategic Priorities, Strategic Council Obligations and Departmental/Directorate service plans as highlighted within the Procurement Gateway 1 Report.

2. Background

2.1 Contract Details

2.1.1 This contract is a Services contract

2.1.2 Contract Description

The contract is for the provision of grounds maintenance activities at Medway Crematorium and 5 cemeteries across Medway. The works include grass cutting; litter collection; road and hard surface cleaning; the maintenance of trees, hedges, roses, flower and shrub borders; the fixing of memorials and some premises security. These works help meet the service objectives which aim to provide well maintained grounds for the bereaved, that generate minimal complaint and give high levels of user satisfaction.

2.2 Permissions Required

2.2.1 This report provides Cabinet with a post project appraisal and seeks permission to continue this termed contract for the remainder of the contract, which is due to expire on 31 August 2013.

2.2.2 This request is on the basis that this contract has fulfilled the requirements in accordance with the service specification and associated contract terms and because no major issues have been identified which cause concern for further continued contract management reporting to the Strategic Procurement Board and Cabinet.

2.2.3 It is acknowledged that if this option is granted, in the event of any major issues arising for the remainder of the contract term, a Gateway 5 report will be submitted with immediate effect for review by the Strategic Procurement Board or if so required and instructed for review by the Strategic Procurement Board during the remainder of the contract term.

2.2.4 This report had been referred back from a previous meeting of the Procurement Board requesting that officers look at opportunities for making financial savings from the contract sum. That work has been completed and included in the Exempt part of this report.

3. Options

In arriving at the preferred option as identified within Section 4.1 'Preferred Option', the following options have been considered with their respective advantages and disadvantages.

3.1 Conclude Current Contract and Provide Action Plan

The option of concluding the current contract at the end of the contract term on the basis that it is a one-off procurement requirement and providing an action plan for future projects has been considered and below are the advantages and disadvantages of this option:

Advantages: the contract costs would be market tested and it could be possible to then link this contract with the council's main grounds maintenance contract, which may deliver some economies of scale.

Disadvantages: there is no guarantee that costs will be reduced and there is a risk that costs might increase.

3.2 Continue With Current Contract and Negate Any Further Gateway 4 or Gateway 5 Reporting Requirements

The option of continuing with the current contract for the remainder of the contract term and negating any further Gateway 4 or Gateway 5 requirements has been considered and below are the advantages and disadvantages of this option:

Advantages: The contract is working without any operational or performance issues.

Disadvantages: No disadvantages have been identified.

3.3 Continue With Current Contract and Subject Contract to Further Gateway 4 and/or Gateway 5 Reporting Requirements

The option of continuing with the current contract for the remainder of the contract term and subjecting the contract to further Gateway 4 and/or Gateway 5 requirements has been considered and below are the advantages and disadvantages of this option:

Advantages: It would help enable judgements to be made in respect of extending the current contract (as provided for within the terms of this procurement project) and / or help set the framework for any amalgamation with the main grounds contract.

Disadvantages: No disadvantages have been identified.

3.4 Other alternative options

No alternative options have been identified.

4. Advice and analysis

4.1 Preferred Option

Further to a review of procurement options as highlighted within Section 3 'Options' above, the following preferred option is recommended to Cabinet:

- To continue with current contract and subject Contract to Further Gateway 4 and/or Gateway 5 Reporting Requirements.

The justification for this recommendation is that this gives an opportunity to review the contract in a wider strategic and economic context.

On the basis that the contract is due for renewal in 2013, it is suggested that a further Gateway 4 report be provided in 2012.

4.1.1 Procurement Project Outputs / Outcomes

The following procurement outcomes/outputs identified have been appraised in the table below to demonstrate how the procurement contract and corresponding supplier has delivered said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How has procurement contract delivered outputs/outcomes?
1. Delivery within budget	Regular budget monitoring	Service Manager / Business Support accountant	Monthly and year end	Contract delivered within budget
2. Delivery meets contract specification	Regular contact monitoring	Service Manager / Services Supervisor / Contractor	Monthly	Contract delivered within contract specification; limited use of rectification notices
3. Level of complaint	Complaint and service enquiry monitoring.	Service Manager / Services Supervisor	Monthly	Reduced Complaints / enquiries (specifically relating to arising on grave tops).

4.1.2 Procurement Project Management

No further procurement management resources or skills are required to be deployed on this contract as it is a one-off contract with no additional termed requirements and will therefore no longer be required.

4.1.3 Post Contract Award Contract Management

The contract management of this procurement contract will continue to be resourced for the remainder of the contract through the following contract management strategy. Monitoring is carried out daily by the Authorised Officer's nominated representative: each site being visited on at least one occasion per week. Joint monitoring inspections between the supplier and the council take place monthly with key issues dealt with at the time of inspection. Inspections look at agreed key indicators that include grass cutting; litter; weeds; flowerbeds; shrubs; roses and hard surfaces. Any failures to perform against contract standards are dealt with by either informal discussion, or where particularly bad, formal rectification and default action procedures may be used, as a last resort, as set out in the contract.

Monthly Review & Progress meetings are held between the local Contractor Manager for The Landscape Group, the Authorised Officer and the nominated representative. These monthly meetings are minuted and take a standard format that covers performance monitoring; health and safety; local issues; additional and unscheduled or responsive works; and the forthcoming work

programmes. The contractors Area Manager attend these meetings at least once a quarter.

4.1.4 Other Issues

There are no other issues that could potentially impact the remainder of this contract term.

4.1.5 TUPE Issues

Further to guidance from Legal Services, Human Resources and the Strategic Procurement Team, it was identified at Gateway 1 that as this is a Services related procurement contract, TUPE did apply.

The recommended contract award at Gateway 3 resulted in 5 employees being affected by TUPE and transferring as a result of the incumbent provider from the old contract not being successful as part of the previous procurement tender process.

Further to this, there are no further TUPE issues to consider at this stage.

5. Risk Management

5.1 Risk Categorisation

The following risk categories have been identified as having a linkage to this procurement contract at this Gateway 4 Stage:

Procurement process	<input type="checkbox"/>	Equalities	<input type="checkbox"/>
Contractual delivery	<input type="checkbox"/>	Sustainability / Environmental	<input type="checkbox"/>
Service delivery	<input type="checkbox"/>	Legal	<input type="checkbox"/>
Reputation / political	<input type="checkbox"/>	Financial	<input checked="" type="checkbox"/>
Health & Safety	<input type="checkbox"/>	Other	<input type="checkbox"/>

For each of the risks identified above in, further information has been provided below.

Risk Categories	Outline Description	Risk Impact A=Very High B=High C=Significant D=Low E=Very Low F=Almost Impossible	Risk Likelihood I=Catastrophic II=Critical III=Marginal IV=negligible Impact	Plans To Mitigate Risk
Financial	Costs increase through contractual RPI payments. Increase in unscheduled works	D	III	Increase fees and charges; reduce frequency of grass cutting; further reduce winter &

	arising from heavy snow, frosts etc.			summer planting schemes, hard surface cleaning etc, (but this could directly affect C & D above), reducing expenditure from other budgets.
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6. Consultation

6.1 Internal (Medway) Stakeholder Consultation

As part of this ongoing procurement contract management, no internal stakeholder consultation is required.

6.2 External Stakeholder Consultation

As part of this ongoing procurement contract management, no external stakeholder consultation is required.

7. Strategic Procurement Board – 30 March 2011

7.1 The Strategic Procurement Board considered this report on 30 March 2011 and recommended its approval to Cabinet.

8. Financial and legal implications

8.1 Financial Implications

8.1.1 This procurement contract and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following financial implications which the Cabinet must consider. The cost of the contract is being met from within exiting budgets. There is an element of risk, should there be an unexpected demand for unforeseen works and / or increases in the RPI, but there should be some scope within budgets to manage this demand, should it occur.

8.1.2 Detailed finance and whole-life costing information is contained within Section 2.1 Finance and Whole-Life Costing of the Exempt Appendix.

8.2 Legal Implications

8.2.1 This procurement contract and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following legal implications which the Cabinet must consider.

8.2.2 At this time the Contractor appears to be performing in accordance with its contractual obligations but the client department is advised to continue effective contract monitoring that will also ensure that the Council receives best value for money. Any proposed variation must be in accordance with the agreed terms and conditions of contract.

8.3 Procurement Implications

This procurement contract and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has no procurement implications which the Cabinet must consider at this time.

9. Recommendations

9.1 The Cabinet is asked to approve the continuation of the current contract and subject the contract to further Gateway 4 and/or Gateway 5 reporting requirements

10. Suggested reasons for decision(s)

10.1 The recommendations contained within Section 9 'Recommendations' above are provided on the basis of there being no adverse observations regarding this contract and the contractor is performing to a standard equal or better than that set out in the contract specification.

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The following documents have been relied upon in the preparation of this report:

Description of document	Location	Date
Gateway 3 Report – Cabinet award of contract	Electronic	24 June 2009
Contract specification (reference BS/2008)	Electronic	Jan 08
Service request file / complaints	Crematorium /Electronic	2008 – now
Contract management meeting minutes	Crematorium	Monthly, September 2008 till now
Performance monitoring records	Crematorium	Monthly, September 2008 till now