

CABINET

6 June 2023

AWARD OF THE FORESTRY CONTRACT

Report of the Portfolio Holder for Highways, Transport, and the Environment

Strategic Aim:	Sustainable Lives	
Key Decision: Yes	Forward Plan Reference: FP/170323	
Exempt Information	Yes – Appendix C to the report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	
Cabinet Member(s) Responsible:	Cllr Christine Wise, Portfolio Holder for Highways, Transport, and the Environment	
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Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the award of the Forestry Contract to the overall highest scoring bidder.
2. Authorises the Director for Places, in consultation with the Cabinet Member with portfolio for Highways, Transport and the Environment to award the contract resulting from this procurement in line with the Award Criteria.

1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is for Cabinet to make a decision following the outcome of the recently undertaken tender process for Rutland's Forestry Contract.
- 1.2 The existing Forestry Contract ends on 31st December 2023 with the new contract due to commence from the 1st January 2024.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The current Forestry Contract commenced on 1st February 2018 and following an extension, is due to expire on 31st December 2023. The Council exercised the option to extend the current contract, primarily to allow sufficient time to undertake a robust procurement exercise, and secondly to enable the contract to be bought in line with the expiry date of the extended grounds maintenance contract.
- 2.2 On 18th January 2022, Cabinet approved the re-procurement of the Forestry Contract.
- 2.3 A 'lessons learnt' exercise was undertaken with the existing contractor and internal customers (including the Property Service Team and the Highways Team have been made aware of the procurement and consulted on the specification).
- 2.4 Public consultation also took place (in conjunction with Grounds Maintenance) which demonstrated that there was strong support for additional tree planting. Comments included 'The more trees the better, too few trees in Rutland', 'replace those that die or are removed', 'encourage developers to plant trees, ensure they are native and in the right places'. Additional tree planting will form part of both the main forestry works and also as part of the social value offered by the winning bidder.

3 PROVISION OF THE FORESTRY SERVICE

- 3.1 There are no significant changes to the existing specification.
- 3.2 The term of the new contract will be 1st January 2024 to 31st December 2028 with an option to extend for a further 2 years to 31st December 2030. This provides for a potential maximum contract term of 7 years.
- 3.3 Main areas of work are detailed as follows:

	Areas covered	Frequency	Comments	Supported by consultation?
Tree Pruning	All RCC trees situated within closed churchyards, highway verges, public open spaces, and occasionally RCC trees on land managed by Property Services.	Ad-hoc reaction based work based on routine assessments, customer enquiries, and alerts from staff.	This covers a variety of tree cutting operations including: reductions, crown-lifts, pollards, dead wood removal, etc..	N/A
Tree Planting	As above	Annually in November	This service aims to replace trees that had to be removed. It will also include new trees requested by residents to increase the tree count.	Yes
Tree felling	As above	Ad-hoc reaction based work based on routine assessments,	This work is often a last resort when a tree is causing a legal nuisance or safety	N/A

		customer enquiries, and alerts from staff.	concern that cannot be mitigated by pruning.	
Stump Grinding	As above	As above	This includes stumps left by tree felling that pose a problem by being retained. This includes posing a trip hazard and obstructing the opportunity to plant a replacement	N/A
Artificial Support	As above	As above	This is where materials are used to provide a tree support, which is likely to fail without. Very rarely used.	N/A
Tree Irrigation	As above	As above	This covers the watering requirements for newly planted trees to prevent loss during dry springs and summers	N/A

4 PROCUREMENT

- 4.1 A number of the tender returns received were excluded during the qualitative scoring as they achieve a score of less than 2 for one or more of the questions.
- 4.2 The qualitative element of the tenders were reviewed by two officers (the Forestry Officer and the Streetscene Services Manager). These officers scored the submissions individually. A panel then met to agree moderated scores. The panel consisted of the two officers plus the Principal Operations Manager and supported by a Senior Procurement Officer from Welland Procurement.
- 4.3 Analysis of financial assessment was undertaken by Welland Procurement and these results of this were not shared with officers until quality evaluation and moderation had been completed.
- 4.4 On completion of this process an analysis of the total scores was undertaken and a winning bid identified. Due Diligence checks have taken place on the preferred bidder and no issues have been identified.
- 4.5 The tenders were evaluated on the basis of 40% price and 60% quality. A full breakdown of cost and quality evaluation is shown in the private Appendix.

5 CONSULTATION

- 5.1 A public consultation (in conjunction with Grounds Maintenance) took place in April 2022 as detailed in section 2.3.

6 ALTERNATIVE OPTIONS

- 6.1 An alternative option is not to award the contract. This is not recommended as we would be unable to deliver the forestry service. Alternative delivery models, such as in-house or a shared service agreement could be explored, however there is a high risk that this could not be achieved in the required timescales.

7 FINANCIAL IMPLICATIONS

- 7.1 Overall the new contract can be managed within the existing assumptions in the Medium Term Financial Strategy (MTFS).
- 7.2 The new contract rates are approximately 15% higher than the existing rates. However, we are satisfied that the new rates are fair and reflective of the current market. The increases are due to higher rates for fuel, labour and materials, and also a skills shortage in the Forestry industry.
- 7.3 The MTFS includes a total budget for Forestry Services of £123k for 24/25 this is an increase of 13% from the 2023/24 budget as it was expected that this contract would see a large uplift when tendered.
- 7.4 There may be a slight pressure on the 23/24 budget as this contract will be in place for the last 3 months of the year, but work will be scheduled accordingly to help manage this position.
- 7.5 The bid prices are based on a schedule of rates which makes it difficult to compare these to current expenditure. Although some work is scheduled, most is reactive and based on surveys and assessments throughout the year. Therefore it is challenging to make a direct comparison between current works and predicted expenditure on future works under the new contract rates.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The forestry procurement process has been conducted by the Welland Procurement Unit, in line with the requirements of the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.
- 8.2 Legal advice on the process was sought at the appropriate stages of the procurement process.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 It is not felt that an Equalities Impact Assessment is required for this service as it is directed at the maintenance of all Council land, not individual people or groups.
- 9.2 Individual sites will have specific considerations around access for members of the public but this is not relevant to the delivery of the forestry service.

10 COMMUNITY SAFETY IMPLICATIONS

- 10.1 The Council is required by Section 17 of the Crime & Disorder Act 1998 to take into account community safety implications.
- 10.2 The maintenance of the public realm is an important contribution to community

safety. Well maintained sites contribute to a sense of community pride and can help to reduce crime and anti-social behaviour.

11 HEALTH AND WELLBEING IMPLICATIONS

- 11.1 Public open spaces and areas of forestry can contribute positively to improved health and wellbeing. It is important that we provide a balanced approach to the maintenance of our sites, providing appropriate levels of public access for physical activity and recreational use, but also taking into account financial and biodiversity considerations.

12 ORGANISATIONAL IMPLICATIONS

There are no TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) implications for RCC arising from the award of this contract as the contract is to be awarded to current provider. There are no other organisational implications.

13 SOCIAL VALUE IMPLICATIONS

- 13.1 Under the provisions of the Public Services (Social Value) Act 2012 local authorities are required to consider how economic, social, and environmental well-being may be improved by services that are to be procured, and how procurement may secure those improvements.
- 13.2 As part of the quality submission, bidders were evaluated on their proposals to provide social value including detailing what wider social and economic benefits they would commit to providing throughout the life of the contract. The winning bidder has committed to replacing all vehicles with low emission models in the next five years, the use of cleaner and quieter battery powered tools, over 95 % of timber being recycled or re-used, employment of local people, and the planting of 10 trees per year at zero cost to the Council at any agreed suitable site.

14 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 14.1 Cabinet is recommended to approve the award of the Forestry Contract to the overall highest scoring bidder. This decision is required in order to comply with the Councils Contract Procedure Rules.
- 14.2 Cabinet is recommended to authorise the Director for Places in consultation with the Cabinet Member with Portfolio Holder for Highways, Transport and the Environment to award the contract resulting from this procurement in line with the Award Criteria to the highest scoring bidder.
- 14.3 A robust procurement exercise has taken place and considered capable of meeting the requirements of the forestry contract and delivering appropriate quality services across Rutland.

15 BACKGROUND PAPERS

- 15.1 There are no additional papers to the report.

16 APPENDICES

- 16.1 Appendix A – Procurement Timetable
- 16.2 Appendix B – Award Criteria
- 16.3 Appendix C – Private Appendix containing details of bids submitted.

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

Appendix A. Procurement Timetable – Forestry and Grounds Maintenance

Ref	Milestones	Start Date	End Date
<u>Governance & Pre-Procurement Planning</u>			
M1	Develop Outline Business Case	01-Apr-21	30-Apr-21
M2	Contract Risk Assessment	01-Apr-21	30-Apr-21
M3	Data Mapping exercise	01-Apr-21	30-Jun-21
M4	Agree Procurement and lotting strategy	01-Aug-21	30-Sep-21
M5	Lessons Learnt	01-Oct-21	31-Oct-21
M6	Contract Extensions	01-Oct-21	03-Dec-21
M7	Pre-Procurement Business Case - Governance		
M7.1	SMT	20-Oct-21	20-Oct-21
M7.2	Project Board	02-Dec-21	02-Dec-21
M7.3	Cabinet Briefing	02-Nov-21	02-Nov-21
M7.4	Cabinet		
M7.4.1	Develop Cabinet Report	04-Jan-22	01-Feb-22
M7.4.2	Scrutiny	10-Feb-22	10-Feb-22
M7.4.3	Present Cabinet Report	15-Feb-22	15-Feb-22
M8	Develop Detailed Specification, Service Levels /KPIs		
M8.1	Grounds Maintenance	04-Jan-22	01-Apr-22
M8.2	Forestry	04-Jan-22	01-Apr-22
M8.3	Legal Review of Both Sets of Docs	01-Apr-22	18-Apr-22
M8.4	Finalise Specification, Service Levels, KPIs	09-May-22	13-May-22
M9	Project background information		
M9.1	Assemble	04-Jan-22	31-Mar-22
M9.2	Discuss with Parishes	07-Mar-22	18-Mar-22
M9.3	Finalise	09-May-22	13-May-22
M10	Consultation		
M10.1	Plan Consultation	17-Jan-22	15-Feb-22
M10.2	Consult	24-Mar-22	06-May-22
M10.3	Collate Responses	09-May-22	13-May-22
M10.4	Analyse Responses	09-May-22	13-May-22
M11	Procurement & Contract Docs		
M11.1	Develop Further competition ITT documentation	03-Mar-22	10-Jun-22
M11.2	Agree on Evaluation Panel	09-May-22	10-Jun-22
M11.3	Agree Award Criteria & Evaluation methodology	21-Apr-22	10-Jun-22
M11.4	Method statement questions & Pricing schedules	21-Apr-22	10-Jun-22
M11.5	Request TUPE Information	09-May-22	10-Jun-22
M11.6	Review YPO DPS 881 call off contract Ts and Cs	13-Jun-22	15-Jul-22
M11.7	Legal Review of Contract + ITT Docs	07-Jul-22	30-Sep-22
M12	Pre-procurement Marketing	01-Jul-22	31-Oct-22
<u>Procurement - DPS Further Competition</u>			
M13	Publish PIN Notice (one already published Nov 2021)	11-Jul-22	11-Jul-22
M14	Finalise Procurement & Contract Docs	30-Jul-22	31-Oct-22
M15	Review all Documentation		
M15.1	Project Board Review	22-Nov-22	22-Nov-22
M15.2	Welland Review	01-Nov-22	30-Nov-22
M16	Tender goes Live	12-Dec-22	31-Jan-23

	Site		
M17	visits	20-Dec-22	21-Dec-22
M18	Clarification Questions Deadline	17-Jan-23	17-Jan-23
M18.1	Clarification Responses Deadline	24-Jan-23	24-Jan-23
M19	Tender submission Deadline	31-Jan-23	31-Jan-23
M20	Evaluation: Quality	01-Feb-23	10-Mar-23
M21	Moderation Meeting(s)	08-Mar-23	08-Mar-23
M22	Evaluation: Price submissions	15-Mar-23	31-Mar-23
M23	Bidder Presentation/ Interview (if needed)	03-Apr-23	07-Apr-23
M24	Contract Award Recommendation Report		
M24.1	Write & Approve Report	09-Mar-23	07-Apr-23
M24.2	Legal Review of Final Contract + Schedules	10-Apr-23	19-May-23
M25	Governance - Award Contract (Cabinet)	06-Jun-23	06-Jun-23
	Governance - Award Contract (Council – Grounds Maintenance		
M26	only)	10-Jul-23	10-Jul-23
M27	Draft Intention to award and feedback letters	18-Jul-23	21-Jul-23
M28	Issue Intention to Award letters to all bidders	24-Jul-23	24-Jul-23
M29	Voluntary Standstill period (10 days)	25-Jul-23	03-Aug-23
M30	Due Diligence - Checks	25-Jul-23	03-Aug-23
M31	Publish Contract Award Notice (FTS & Contracts Finder)	07-Aug-23	07-Aug-23
M32	Contract documentation to be finalised/signed/sealed	07-Aug-23	31-Aug-23
M33	Contract added to Contracts Register	01-Sep-23	01-Sep-23
	<u>Mobilisation/Decommission</u>		
M34	Decommission - incumbent supplier	01-Sep-23	31-Dec-23
M35	TUPE Complete	31-Dec-23	31-Dec-23
M36	Mobilisation - of new supplier complete	31-Dec-23	31-Dec-23
	<u>Go live</u>		
M37	New contractors are live	01-Jan-24	01-Jan-24
M38	Final Project Board to review PID objectives + Lessons Learned	08-Jan-24	15-Jan-24

Appendix B. Award Criteria

Quality Questions - 60% (including Social Value)

Each bidder's response to each question was evaluated and awarded a score of up to a maximum of 5 as follows:

In the evaluator's reasoned opinion, the response is an:	
5	Excellent Response The response is excellent in relation to the stated requirements of the question. The response provides an excellent level of detail and demonstrates that the bidder's expertise and approach significantly exceed the Council's minimum requirements such as to provide added value.
4	Strong Response The response is strong in relation to the stated requirements of the question. The response provides a good level of detail and demonstrates that the bidder's expertise and approach exceed the Council's minimum requirements.
3	Satisfactory Response The response is satisfactory in relation to the stated requirements of the question. The response provides a satisfactory level of detail and demonstrates that the bidder has the necessary expertise to meet the Council's minimum requirements and has a reasonable understanding of what those minimum requirements are.
2	Weak Response The response is weak in relation to the stated requirements of the question. The response provides a low level of detail and provides less than satisfactory evidence to demonstrate that the bidder has the expertise to satisfy the Council's minimum requirements and/or demonstrates some misunderstanding of those requirements.
1	Poor Response The response is poor in relation to the stated requirements of the question. The response provides a very low level of detail. There is a significant lack of evidence to demonstrate that the bidder has the expertise to satisfy the Council's minimum requirements or really understands what those requirements are.
0	Unacceptable Response The response is unacceptable in relation to the stated requirements of the question. The response provides no detail and fails to provide any evidence that the bidder can meet the requirements of the question. OR No answer has been given.

Social Value Quantity (2%)

Bidders were required to populate a social value calculator: a spreadsheet comprised of a selection of relevant National Themes, Objectives and Measures (TOMS) chosen by the Council and each National Theme (NT), carried a proxy value (£).

Bidders had to select four of the National Themes (NT) and add the quantity of each they would provide over the 2nd, 3rd and 4th years of the initial term of the contract for the benefit of the local community, the County of Rutland. The bidder with the highest proxy value (£) over this period would receive the maximum percentage score for this criterion (2%) and the other bidders a pro rata percentage score based on the maximum value.

Social Value Quantity (4%)

Bidders were required to provide a Social Value Method Statement to explain how they would provide the type and quantity of social value for the benefit of the locality stated in their Social Value Calculator submission. This method statement was evaluated and scored using the marking scheme below. The Social Value quantity and quality scores were combined to give a total Social Value score out of 5%.

Scoring Matrix for Social Value Quality		
Score	Judgment	Interpretation
5	Excellent	Exceptional demonstration of a relevant and credible Social Value offer as a result of this contract, with clear explanation / evidence of how this will benefit Rutland communities and how this will be monitored and measured
4	Good	Above average demonstration of a relevant and credible Social Value offer as a result of this contract, with a clear explanation and majority evidence of how this will benefit Rutland communities and how this will be monitored and measured
3	Acceptable	Demonstration of a relevant and credible Social Value offer as a result of this contract, with a clear explanation and some evidence of how this will benefit Rutland communities and how this will be monitored and measured
2	Minor Reservations	Demonstration with some minor reservations of a Social Value offer as a result of this contract, little explanation and evidence of how this will benefit Rutland communities and how this will be monitored and measured
1	Serious Reservations	Demonstration with considerable reservations of a Social Value offer as a result of this contract, little/no explanation and evidence of how this will benefit Rutland communities and how this will be monitored and measured
0	Unacceptable	Does not comply and/or insufficient information provided to explain/justify/evidence the Social Value offered

Quality Threshold –

For the Quality questions and for the Social Value questions a quality threshold was applied as follows:

Scoring '0-1' for any response to the method statements will give grounds for excluding the tender from further consideration. If a tender is so excluded, the tenderers' price shall also be excluded from the evaluation.

(Ref. page 8, RCC Forestry Services ITT Tender (F-C) FINAL 13.12.22)

Quality Questions

Table 1 – Quality 60%				
Question Number	Questions	Max. Evaluator Score	Question % Weighting	Section % Weighting
1.	Management and Workforce	5	3.5%	60%
2.	Qualifications	5	9%	
3.	Resources	5	9%	
4.	Responsive services	5	5%	
5.	Working practices (section fell, diseased ash)	5	7.5%	
6.	Safety (section fell risk assessment)	5	7.5%	
7.	Wildlife protection (Section fell assessment)	5	7.5%	
8.	Quality	5	5%	
9.	Social Value	5	6%	
TOTAL				60%

Price - 40%

Price scores were calculated based on the bidder with the lowest overall compliant price being awarded the full score of 40%. The remaining bids were scored in accordance with the following calculation:

$$= \left(\frac{\text{lowest submitted price}}{\text{potential supplier's submitted price}} \right) \times \text{price weighting}$$

Review of the Selection Criteria

As this was a further competition amongst pre-qualified providers, there was no Selection stage.