

From: David Brazier Cabinet Member for Highways and Transport
Simon Jones, Corporate Director of Growth, Environment and Transport

To: Environment & Transport Cabinet Committee Meeting – 8th September 2021.

Subject: Procurement and award of contract/s for Highway Emergency Tree Works Contract

Key decision: 21/00071

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: All Districts.

Summary:

The Highway Emergency Tree Works Contract is currently delivered by two contractors, one serving the West of the County and the second the East. These contracts expire on 31st October 2021. There are no further extension options, and a new contract is therefore required to be in place for 1st November 2021. A Key Decision is required to award the contract/s for this service as the value exceeds £1m.

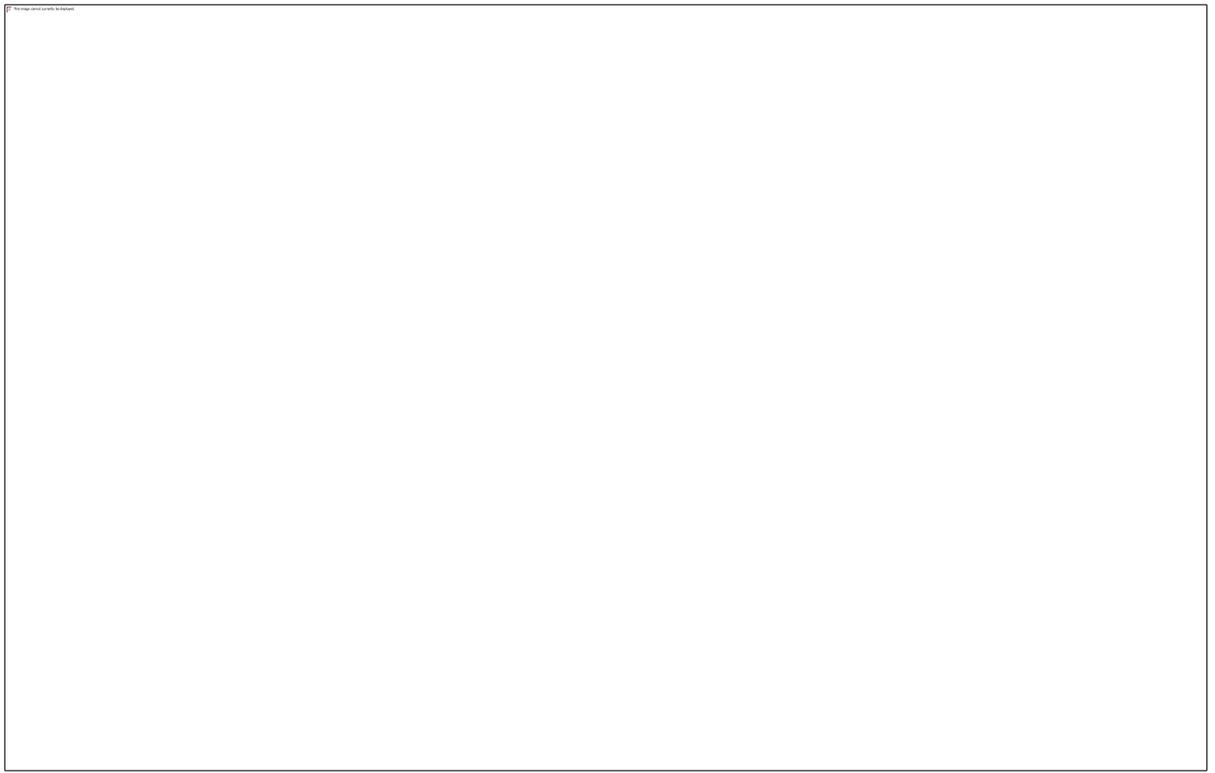
Recommendation(s):

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to provide the Corporate Director for Growth, Environment and Transport with delegated authority to procure and enter into appropriate contractual arrangements for the provision of Emergency Tree Works, including any potential extension periods in accordance with the expectations set out in the report as shown at Appendix A.

1. Introduction

- 1.1 The current Emergency Tree Works Contracts with Bridgland and Direct Enviro expire on 31st October 2021. There are no further extension options, and a new contract is therefore required to be in place for 1st November 2021.
- 1.2 The original contract delivery model in 2016 was for three lots, but following one contractor entering administration, the work with the mid area of the county was split between the other two contractors. This has worked well for the remaining period.

- 1.3 The Council has a legal duty to keep roads and pavements clear of vegetation for safe passage of highway users. The main service areas comprise of clearing felled trees, most notable in adverse weather conditions. In order to ensure the Council meets its obligations the service will need to be commissioned.
- 1.4 The requirement is for the provision of emergency response specialist tree surgery teams to attend at short notice on a 24/7 basis 365 days of the year. Emergency type response times will include 2-hour and 24-hour requirement. The service is used by all operational staff but also supports the highways out of hours emergency response service.
- 1.5 There is no programmed works and work volumes are dictated by the weather and where emergency situations occur. This varies from year to year and is largely dependent on the prevailing weather and storm events.
- 1.6 Demand for this service has grown over the course of the contract due to an increase in severe weather events as well as more instances of Ash Dieback across the County. The emergency at Walderslade Woods in February 2019 is an example of where this contract was used to clear the aftermath of one of these storm events.



2. Procurement Strategy

2.1 Market engagement was conducted in May 2021 and identified a number of risks to be considered:

- Contract structure
- Productivity
- Performance management

- Supply chain

2.2 There are three options to deliver this service:

1. Split the contract into three lots (West, Mid and East)
2. Split the contract into two lots (current provision)
3. Countywide delivery

2.3 Option 3 has been discounted due to the high-risk nature of this model. This is due to the distances involved in servicing the whole of Kent (attendance within two hours) and with demand fluctuated by weather events, there is no competition within the local market to demonstrate best value. As detailed within the market analysis the size of organisations is smaller. Furthermore, this option would not offer resilience to storm events.

2.4 Two contractors (Option 2) will give good resilience to storm events due to the number of staff available and has worked well over the last four years and has incorporated the trend of increasing severe weather events that has been seen since 2016 when the Contract was initially awarded.

2.5 Splitting the contract into three, by no means guarantees three contractors. There is also a risk in the market that best value may not be achieved by splitting the arrangement into three with either two scenarios happening:

- One contractor bidding for two lots (they cover 8 districts)
- One lot not being serviced due to a lack of a third competent contractor

2.6 It is recommended to implement a two-lot delivery model. This represents an efficient model for improving opportunities to smaller SMEs within Kent and reduces the contract management burden to the Council. The following lots are being sought:

- **Lot 1 (West)** - Maidstone, Dartford, Gravesham, Sevenoaks, Tonbridge & Malling, and Tunbridge Wells
- **Lot 2 (East)** - Ashford, Swale, Canterbury, Thanet, Dover and Folkestone and Hythe

2.7 The contract period is proposed to be three years with an opportunity to extend this for up to three further years. Any decision to extend the contract will be linked to performance and contract compliance.

2.8 The Selection Questionnaire (SQ) stage has been completed and those companies that passed the minimum threshold have been sent the invitation to tender (ITT).

2.9 The procurement timetable is as follows:

- SQ Out – 21st May 2021
- SQ Return – 21st June 2021
- ITT Out – w/c 19th July 2021
- ITT Return – w/c 16th August 2021

- ITT Negotiation (if required) – Est w/c 23rd August 2021
- Final ITT Evaluation and Governance – Est w/c 10th September
- Contract Award – Est w/c 27th Sept 2021
- Mobilisation Period – W/C 27th Sept – 1st Nov
- Service Commencement Date – 1st November 2021

3. Financial Implications

- 3.1 A new procurement may present a price increase which reflects changes in market prices since the contract was let in 2015. Contracts have been linked to the GM87 indices over the course of the contract so this will be minimised. A competitive procurement process will appoint the best value contractor from the tenders submitted.
- 3.2 The overall costs for this contract appear to be increasing with the rise in severe weather events and diseases such as Ash Die back becoming more prevalent. It is not known whether this is a long-term trend.
- 3.3 The new contract will include provision for the contractors to record information on tree failures whilst on site. This information will then be used to develop a Tree Failure Database and allow a process to be implemented to recharge private owners where their trees fail. The amount that this could recharge and how successful this could be is unknown.
- 3.4 The revenue budget for this work is contained within the Highways Asset Management emergency budget. Until such time as tender prices are returned it is unknown if there will be any pressure on this budget which will also be demand led due to weather incidents. The current average spend for this work is £376k per annum.

4. Legal implications

- 4.1 The Council has a legal duty to keep roads and pavements clear of vegetation for safe passage of highway users. The award of any contracts will be in full compliance with all relevant procurement regulation.

5. Equalities implications

- 5.1 An Equalities Impact Assessment has been carried out and no implications have been identified at this early stage. This will be continually reviewed as the programme continues and has been attached in Appendix B.
- 5.2 The initial screening identified that a Data Projection Impact Assessment will not be necessary as no personal data is collected for this commission.

6. Policy Framework

- 6.1 This commission is detailed within the following plans:

- Highways and Transportation Divisional Operating Plan 21/22

7. Other corporate implications

7.1 The decision to award contracts for Emergency Tree Works has no significant impact in other areas of the Council's work.

8. Conclusions

8.1 This service forms part of the Council's statutory duty to maintain the highway in a safe condition.

8.2 The existing contract arrangements have been performing well over their term and have provided a reactive emergency response that is reliable and efficient for use by operational highway staff and out of hours officers.

9. Recommendation:

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Highways and Transport to provide the Corporate Director for Growth, Environment and Transport with delegated authority to procure and enter into appropriate contractual arrangements for the provision of Emergency Tree Works, including any potential extension periods in accordance with the expectations set out in the report as shown at Appendix A.

10. Background Documents

Appendix A – Proposed Record of Decision

Appendix B – Equalities Impact Assessment:

<https://democracy.kent.gov.uk/documents/s105572/AppendixBEqIASC21010EmergencyTreeWorksV1.pdf>

11. Contact details

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