



# Strategic Commissioning Commercial Strategy

<b>Contract Title:</b> Arbroiculture Works Term Contract (Countywide)		
<b>SC REF:</b> 18035	<b>Date:</b> 24/01/2019	<b>SCB Date:</b> 31/01/2019
<b>Annual Value:</b> £686,000		<b>Contract Value:</b> £3.43m
<b>Commercial Lead:</b> John Tunnicliff		<b>Position:</b> Commercial Officer
<b>Commissioning Lead:</b> Andrew Loosemore		<b>Position:</b> Head of Highways Asset Management
<b>Contract Manager:</b> Robin Hadley		

## Governance

- The current contract for this service comes to an end on 31<sup>st</sup> August 2019. In order to ensure continuity of service, new arrangements will need to be in place from September 1<sup>st</sup>, 2019. This report recommends the completion of a competitive tender with negotiation to achieve this.
- This element of work was considered as part of the wider Soft Landscape service commissioning approach presented to the Strategic Commissioning Board (SCB) 21<sup>st</sup> July 2016.
  - The Diagnostic Report considered by the ETCC Task & Finish Group (T&FG) considered several options and only recommended devolution of the discretionary elements of the service (urban grass and hedge cutting and shrub bed maintenance) to parishes.
  - SCB and ETCC concluded that commissioning by KCC of the safety critical elements such as tree works should be continued.
- This report was presented to the Highways Transportation and Waste Divisional Management Team (DivMt) on the 19<sup>th</sup> September to gain sign off at Director level. A further update on the findings of the market engagement, proposed lotting and contract duration was presented to DivMT on the 21<sup>st</sup> November.
- The details have been discussed with the Cabinet Member for Highways on the proposed commercial plan, details will be presented at the March 2019 ETCC meeting.

## Description

This contract will facilitate programmed and adhoc tree works over a five year period both on or adjacent to the highway network. The contract will provide for removal of dangerous trees and branches on both public and private property. The contract will also facilitate removal of tree stumps and replacement tree planting.

The service is provided primarily through programmed work with flexibility for additional ad-hoc provision. There is a separate dedicated emergency tree works contract, currently provided by two contractors, for the clearance of imminently dangerous trees adjacent to the highway. This contract will be designed to enable the additional provision of emergency tree clearance as a fall-back to the primary emergency tree works contracts. The two separate emergency tree works contracts exist to enable programmed tree works to remain uninterrupted by day-to-day

tree emergencies.

This procurement exercise will cover the whole of the county (12 districts). The contract is proposed to be let for three years with a one plus one extension option (five years total).

The annual spend for the service will be in the region of £680k. Total spend over the contract duration (three years plus extensions) is estimated at £3.43m. A detailed breakdown of cost by the proposed lots is provided in Appendix 3, Table 1.

Programmed and adhoc work to highway tree assets will be funded from the existing Soft Landscape budgets for tree works. Budget for replacement tree planting is provided by councillor grants and and third party funding for all but regulatory replacement tree planting i.e. those trees covered by Tree Preservation Orders and Conservation Area regulations.

These services are required to ensure that KCC complies with its 'Duty of Care' under the Highway Act 1980 and fulfils its obligations in Common Law as a land/tree owner. An insurance audit by Zurich Municipal in August 2015 of KCC Highway inspection systems and processes found the current system of tree inspection by professional tree officers and management of tree works by specialist providers to be fit for purpose and followed 'best practice'.

There are currently approximately 38,500 individual tree assets on the highway network with an additional approximate 80,000 recorded tree assets located within groups. A conservative application of the industry standard Capital Asset Valuation of Amenity Trees (CAVAT) system estimates the value of the 38,500 individual trees at over £371M.

Priority 9 in the Kent Environment Strategy Implimentation Plan 2017 seeks to 'Improve the county of Kent's environmental, social and economic resilience to environmental change'. SF9.4 seeks to 'Build resilience to the impacts of environmental change, disease and invasive species on human, plant and animal health'. A key activity in meeting our sustainable future objective is to continue to implement the 'Ash Dieback Action Plan' and develop a 'Tree Strategy for Kent & Medway'

Commissioning of a professional specialist arboriculture works contract facilitates meeting Kent's objectives under the Kent Environment Strategy and the forthcoming Kent & Medway Tree Strategy.

#### Outcome Link

- Kent communities feel the benefits of economic growth by being in work, healthy and enjoying a good quality of life.
- To assist in KCC's legal duty to maintain a safe Highway (Highways Act).
- Ensure that access to the Kent highways infrastructure is maintained for citizens and businesses.
- Maintain a safe and pleasant environment.
- Customer satisfaction by providing 'the right services in the right way for the right people'.
- Maximising lifespan and minimising lifecycle costs of the highway and its assets and improving maintainability by embedding asset management principles into everything we do.
- Cost effective statutory and discretionary services by commissioning well and being commercially astute.

### Current Supply Arrangements

At present the service is provided by one Kent based supplier, City Suburban Tree Surgeons. Although the service is split into two lots (east and west), no restrictions were applied in 2014 to restrict the number of lots which could be awarded to a supplier. The current contract has been a resounding success - delivering on both cost and quality.

The arboriculture works contract is now in its third revision. A number of ambiguous clauses were exploited by contractors during the first contract (2009-2014). This resulted in compensation events and requests for extra costs in addition to disputes. These also meant that there were variable and unquantifiable costs and operational impacts on staff resource. The specification was refined and improved for the second contract (2014-present). The implemented changes from 'lessons learned' almost eliminated compensation events. This has enabled detailed budget planning, resulted in no contract disputes and improved the operational performance of the team.

Minor alterations have been drafted to address 'lessons learned' in the third iteration of the contract. The third iteration is now further refined and is able to meet the demands of quality, performance and cost whilst allowing robust Contract Management.

Current rates are 20% less than other previous Kent contractor rates obtained through similar procurement process. Current rates are on average 27% cheaper than rates of neighbouring councils.

## PESTLE Analysis



### Political

The negative impact of procuring a poor quality arboriculture works service in relation to highway trees has been observed over recent years in Sheffield. Additionally, it is all too easy for a contractor to undertake sub-standard tree works that will have long lasting and detrimental effect on the highway tree asset.

It is therefore important that KCC HTW delivers an effective high quality highway arboriculture works service which operationally delivers whilst benefiting the reputation of the County Council.

### Economic

The benefits of urban and highway trees have been widely recognised as improving health and wellbeing. Both visitors and businesses have been found to favour areas with high tree cover. This increases inward investment to an area. Data also suggests that tree cover has a positive effect on saleability of property, if not directly on price. Properties on tree lined streets are said to be in higher demand and sell faster.

Trees can have negative effects on the surface of footways and carriageways through direct root damage. However, the shade cast by trees can significantly increase the life of the road by reducing the temperature that the surface reaches during hot weather.

Highway trees can be valued by a number of methods. Capital Asset Valuation of Amenity Trees (CAVAT) is the system used most widely in the UK. In some cases CAVAT can place an extremely high monetary value on a tree depending on its size. CAVAT estimates the value of the 38,500 individual highway tree assets at over £371 M.

Poorly procured tree works can have a detrimental effect on the long-term life expectancy of the tree which can reduce the potential economic and social benefits as well as its CAVAT value.

### Social

The arboriculture works contract contributes towards keeping Kent moving, particularly for footpath and footway users and allows these assets to be used by all ability groups. In this respect, removal of basal growth on trees which may otherwise obstruct footways is a socially important operation.

The Office of National Statistics (ONS) has predicted the NHS in Kent and Medway saved roughly £24 million in avoided health damage costs due to tree cover. Increase in urban sprawl and air pollution met with declining urban tree cover will result in reduction of the benefits currently provided and increased cost to the UK economy. Additionally, there is an increased disadvantage to people with breathing disabilities therefore discouraging participation.

Urban tree cover plays an important role in moderating the 'urban heat island effect', which poses threats to human health due to substantially increased temperatures relative to rural areas. The ONS predicts a 3-fold increase in the number of heat related deaths by 2050.

The greatest benefits are provided by the largest trees. The relationship between a tree's size and the benefits it provides is exponential. As such, specialist management is required at all stages of a tree's development in order to reach the maximum possible safe useful life expectancy of the tree, maximum canopy size and associated potential benefits.

## Technological

The arboriculture works contract requires specialist knowledge by those contractors undertaking the works. They must comply with British Standard BS3998: 2010 Tree Work Recommendations and have the requisite certificates of competence to carry out works to comply with the standard.

It is a requirement that contractors tendering for the works will have refresher training as part of their ongoing professional development.

## Legal

The County Council has a number of statutory obligations. Listed below are the principal pieces of legislation which the procured service must adhere to:

- Highways Act 1980
- Health & Safety at Work Act 1974
- Wildlife & Countryside Act 1981
- Town & Country Planning Act 1990

The above list is not exhaustive as there are many other acts and regulations which would apply to this contract.

These services are being reprocured to ensure that KCC complies with its 'Duty of Care' and fulfils its obligations in Common Law as a land/tree owner.

## Enviromental

It is well recognised that trees deliver many ecosystem service benefits. It is possible to quantify many benefits, in both volumetric and monetary terms. Generally the larger the tree the greater the benefits delivered.

Tree species have varying capacities to ameliorate pollution. The capacity of any one species is inextricably linked to tree size, leaf area index and tree vigour.

Again, linked to tree size, the larger the tree the more carbon sequestered and stored.

The ability to intercept, store and eventually release rainwater is influenced by tree species, tree size, canopy density and bark. As such, urban tree cover plays an important role in reducing surface water flood potential.

As trees are long lived organisms and the benefits provided are increased with age and tree size, it is important to ensure that appropriate quality tree works are undertaken at every stage of the trees' development.

## Market Engagement

The Soft Landscape Team in KCC Highways has good industry knowledge of the size, scope and locations of the suppliers in this industry. The arboricultural works market is exclusively provided by SME's and the specialised nature of these works favours this type of supplier. KCC is an attractive customer for local SME suppliers and has attracted over 35 expressions of interest following publication of the Prior Information Notice (PIN).

Market engagement meetings were held over a 3 day period in early October 2018 and the analysis of the feedback provided, via a proforma by 20 SME's is outlined below:

### **1). Number of lots preferred by SME's**

Preferred Lot Size	Contractors Preference	Comments
1	3	Preferred by National suppliers
2	2	East and West split
3	6	East /Mid/West split
6	6	Two adjoining districts per Lot
12	3	Contractors specified only single districts that they would tender for.

## 2). Restriction of lots to any one contractor

Lot Restriction	Contractors Preference
No Restriction on Lot size	4
No one provider being given more than between two to six lots.	13
Twelve lot division to allow for Contractors preferred lot <b>only</b> to be tendered for.	3

## 3). Duration of Contract

Term of Contract	Contractors Preference	Comments
5 years	13	Enables Contractors to invest time and equipment into providing an economical, quality service.
7 – 10 years	7	Long term stability in contract delivery

## 4). Use of subcontractors

The overwhelming opinion expressed by eighteen of the contractors was that subcontracting works to other tree companies resulted in loss of control and substandard works. However, three contractors advised that they would use subcontractors for various operations such as peaks in workload or the use of specialist plant and traffic management companies.

## 5). Frameworks

The consensus from the SME's who attended the marketing engagement events was that framework contracts did not work for arboriculture works contracts. One of the main reasons was that a framework contract for arboriculture works did not allow them to invest in equipment or personnel.

Contractors were also disparaging about framework contracts due to reliance on quantitative work spikes and requirement for the client to contact numerous contractors prior to an SME advising that they were able to undertake the works. This also had a knock-on effect with the costs of tree works increasing exponentially.

A number of large organisations with tree work obligations were also contacted as part of market engagement – see Appendix 4. Generally those organisations used frameworks due to the quantitative nature of their tree clearance works. This model of contract would not suit KCC highways as it does not match the safety and enquiry driven work flow or the ethos of KCC's customer service delivery.

On the basis of the above feedback, frameworks have not been considered within this reports commissioning options.

## Location of Contractors

Appendix 3, Plan 1 highlights the proposed contract lotting arrangement. This arrangement is designed to facilitate geographical adjoined district areas and provide the greatest financial value uniformity. The position of contractors that expressed an interest and/or attended the market engagement events are also plotted and highlight a mid and west Kent bias.

## Commercial Strategy.

Contract management (CM) uses proven techniques by utilising the government preferred NEC4 Terms and Conditions. This incorporates appropriate Key Performance Measures relevant to the services under this contract to quantify their performance so that it can be compared to other contractors carrying out the same work in other parts of the County. A formal CM schedule will be included in the tender documents

All contractors preferred the Schedule of Rates (SORs) pricing mechanism as it is well understood by the supplier market. The SORs used within the current contract over the last five years conform to British Standard BS3998:2010 Tree Work Recommendations. Details on the current annual SOR usage are included in Appendix 5.

The system used by KCC Highways is easily understood by both KCC tree inspectors and the contractor and is unambiguous. See Appendix 6: Sample Job from CONFIRM for example of how a job is constructed using SOR(s). The contract design and wording seldomly results in requests for additional costs (compensation events/variation orders).

In individual instances where an economy of scale can be achieved due to volume of work and proximity of trees located in groups; the tree inspector will seek an estimate from the contractor to reduce the overall cost of works to KCC. SORs are applied in all other situations for client efficiency and to meet risk auditing requirements.

Payments are made monthly in arrears using iProc in line with KCC 'no purchase order no pay' policy. Annual rate uplifts where applicable are in line with the Grounds Maintenance Index GM87.

## Contract Duration

The contract is proposed to be let for three years with a one plus one extension option (five years total). The contract duration enables company investment in staff, equipment and depot facilities.

The operation and delivery of the contract will be reviewed each year and there will be a strategic review before any extension is awarded.

## Mobilisation and Transition

The mobilisation period will be over a minimum period of **two** months. Mobilisation will require time for setup of depots, additional machinery, plant and staff recruitment for anyone other than the incumbent contractor.

TUPE will apply due to the number of permanent staff employed by the current provider to deliver the required highway tree works. However, they have indicated that they will be discussing this issue with their existing staff and would seek to retain and redeploy the staff on to existing or newly awarded contracts. Recruitment is an issue within the arboriculture sector and it is not unusual for companies to retain staff in such circumstances. Historically, staff have not been TUPE transferred on previous arboriculture works contracts.

Works are generated by professional tree inspectors in response to customer enquiries and following five yearly scheduled cyclic tree inspections. Works are issued at minimum weekly intervals to the contractor via the Highway WAMS system. Weekly issued works can be disbursed countywide and must be completed by priority in order to maintain a safe highway network. Works are linked to a tree asset for audit and insurance purposes. Generated tree works are typically high in volume but low in value – see Appendix 3, Table 2.

### Commercial Risks

<b>Risk</b>	<b>Controls/Mitigating Action</b>
Failure to procure a supplier	<ul style="list-style-type: none"> <li>➤ There are 11 suppliers already within Kent who have shown an interest in this procurement.</li> <li>➤ PIN has been issued and all previously known suppliers have been encouraged to show an interest in this procurement.</li> </ul>
Fails to provide opportunities for Kent businesses.	<ul style="list-style-type: none"> <li>➤ The opportunity will be advertised through the Kent Business Portal.</li> <li>➤ This contract is particularly suitable for SME suppliers.</li> <li>➤ The volume, value and geographical logistics associated with the service means that interest from larger suppliers outside of Kent may be limited.</li> <li>➤ Support will be given to develop interested local suppliers.</li> </ul>
Procurement not completed on time.	<ul style="list-style-type: none"> <li>➤ Seven months has been allowed for the procurement.</li> <li>➤ A negotiated process is recommended to reduce the time required.</li> </ul>
Increased Prices	<ul style="list-style-type: none"> <li>➤ Prices are likely to increase compared with those procured in the previous arboriculture works contract (2014).</li> <li>➤ Competitive tendering is expected to keep prices at an affordable level and within current budgets.</li> </ul>
Reputational Risk	<ul style="list-style-type: none"> <li>➤ Contract clauses and specification are written in accordance with NEC4. Monthly progress meetings, use of risk register and contractor quality plan will address any issues prior to escalation and reputational damage.</li> </ul>
Operational Risk	<ul style="list-style-type: none"> <li>➤ Pre-qualification and quality questions will ensure award to competent contractor(s). Monthly progress meetings and use of Operational Performance Measures will ensure ongoing performance and adherence to tendered quality standards.</li> </ul>

### Route to Market and Options Appraisal

The value of the Service will exceed £181,302 over the term of the Contract so OJEU is applicable.

#### **Option 1 – Competitive Procedure with Negotiation**

The procurement will be completed using a negotiated style process with selection questions and award in two stages. Suppliers will still be required to meet minimum standards for Health & Safety and other key selection criteria through a Pre-Qualification Questionnaire (PQQ) process. This will be evaluated on mandatory pass/fail criteria. Once through the PQQ stage successful tenderers will be requested to submit a price as well as further project specific

quality questions. Evaluation will be based on Price per Quality Point (PQP) . Negotiation of abnormal Schedule of Rates items and clarifications of specification will limit the possibility of failed tenders due to errors. The market is well known by KCC and a high volume of responses is not anticipated.

#### Advantages:

1. Reduced barriers to entry for SME's.
2. Only suppliers that complete the PQQ stage are then evaluated removing suppliers that do not meet minimum criteria.
3. Allows for negotiation which can address problems with pricing or interpretation of specification without the need for starting procurement from scratch.

#### Disadvantages

1. Additional resource may be required for evaluation if a high volume of PQQ responses are received.

### **Option 2 - Do nothing**

This is not an option due to the potential increase in risks to both Kents residents, members of the public and Kent County Councils workforce.

The County Council has a number of statutory obligations under principal pieces of legislation which the procured service must adhere to. The main two are as follows:

- Highways Act 1980
- Health & Safety at Work Act 1974

The above list is not exhaustive as there are many other acts and regulations which would apply to this contract.

These services are being tendered to ensure that KCC complies with its 'Duty of Care' and fulfils its obligations in 'Common Law' as a land/tree owner.

### **Procurement Route Recommendation**

#### Option 1 – Competitive Procedure with Negotiation

The proposed contract length will be three years with an option to extend the contract for up to a further two years, on a one plus one basis. The total contract value for the full term, including extensions (five years) is estimated at £3,430,000.

In order to attract the maximum number of tenders the contract will be split into three lots. However, a restriction on the number of awarded lots will not be imposed in order to avoid potentially elevated costs in any one awarded contract lot. Not applying an award restriction will potentially allow award of all lots to one provider if that is the most financially viable option.

### **Evaluation Methodology**

- Selection Criteria: All the relevant issues will be covered to ensure only suitable suppliers

proceed to the ITT stage. This will include both mandatory and non-mandatory criteria, insurance, health and safety and a financial assessment together with key selection criteria.

- **Award Criteria: Price per quality point (PQP)** The PQP approach will be used to ensure that suppliers appointed will provide the correct mix of quality issues at a price which is appropriate and sustainable. Quality will be assessed against the following to provide a quality score:
  - Quality and Customer Focus
  - Health and Safety
  - Management of Works
  - Emergency capability
  - Environmental
- The tender evaluation criteria, weightings, methodology and modelling will be developed with Strategic Commissioning and tender documentation will be reviewed and approved prior to issue.
- Tender briefings will be provided to those providers invited to tender and a tender clarification process will be implemented and managed in line with standard KCC practice.
- Price will be evaluated separately from Quality to ensure that the Quality evaluation process is demonstrably not influenced by price but is objectively evaluated against predetermined evaluation criteria. A moderation process will be included as part of the evaluation methodology.
- SOR's will be weighted depending on average usage throughout the existing contract to provide a notional total tender value which will be used for evaluation of bids
- The overall award will be assessed on all of the SORs to ensure that value for money is achieved.
- Rates provided outside of expected values will be challenged during the negotiation period by the arboriculture team and Strategic Commissioning using prevailing market prices and their experience of this industry as a benchmark.
- Quality scores and Price will then be combined to provide a PQP , total price divided by Quality score, to select the winning tenderer
- Tender Evaluation and Award reports will set out the findings of the evaluation and make award recommendations in favour of the successful tenderers.

Approval to Proceed

✓ To be agreed at Service Commissioning Board on **31/01/2019**.

<b>Name:</b>	
<b>Position:</b>	
<b>Signature:</b>	
<b>Date:</b>	

### Appendix 1: Check List

Check Item	Action Required	Response
Social Value	Social Value needs to be considered.	Social Value is included
Equalities Impact Assessment	Is and impact assessment necessary, in most cases this will be a requirement the Service are responsible for carrying this out. If in doubt contact Equalities & Diversity Team at diversityinfo@kent.gov.uk	Completed
Legal Support Required	Legal support requirement should be considered and agreed with the client. If a risk of challenge has been highlighted this should be communicated to legal and added to the risk register on the shared drive.	Will access as required
Kent Business	Ensure plan has addressed supporting Kent Business.	The opportunity will be advertised through the Kent Business Portal. The contract will be attractive for local SME's
TUPE and Pension Staff Transfers	Ascertain if there is any possibility of staff transfers and discuss with Client. If TUPE or Pensions may be involved for TUPE discuss with legal for Pensions see Steven Tagg.	where staff transfer involved inform Legal to ensure TUPE and Pension strategy is clear.
Environment	Are there environmental issues or implications in this contract.	Included
Business Continuity	Business continuity issues this does not just mean IT but consideration of providing essential services.	Should any supplier be unable to fulfil their obligations the option will exist for KCC to use a contractor from one of the other Lots
Collaboration and Access to Contract	Will this contract be shared with others, if so how is procurement being undertaken.	Not applicable
Authority to Award	Has the Commissioner ensured that the correct authority, will be in place when contract needs to be awarded? Suggest to the Client they need to do this now.	The contract award process will be managed in accordance with the Delegated Authority Matrix.
iProcurement	Is the client aware it is mandatory to raise an iProc order for any spend? Have the advantages of this been explained to the client? What advice has been given by the P2P team?	The client is aware of iProcurement and the order will be raised as appropriate.
GDPR	Has an impact assessment been undertaken?	The assessment completed and incorporated into the requirement.
Prevent Agenda	Ensure Prevent Guidelines are considered re Extremism	Not applicable

## Appendix 2: Procurement Timetable and High-Level Resource Programme

Task Name	Start	S.Day	Finish	F.Day	Duration	F.Time
Published Contract Prior Information Notice	13/09/2018	Thu	13/09/2018	Thu	1	
PQQ Publish with Draft ITT	01/02/2019	Fri	01/02/2019	Fri	1	
PQQ Period	01/02/2019	Fri	04/03/2019	Mon	31	12 noon
PQQ Close	04/03/2019	Mon	04/03/2019	Mon	1	12 noon
PQQ Evaluation	05/03/2019	Tue	15/03/2019	Fri	10	
ITT Publish	18/03/2019	Mon	18/03/2019	Mon	1	
ITT Period	18/03/2019	Mon	12/04/2019	Fri	25	
ITT Close	12/04/2019	Fri	12/04/2019	Fri	1	12 noon
Tender evaluations	15/04/2019	Mon	26/04/2019	Fri	11	
Post-Tender Negotiation Meetings	29/04/2019	Mon	01/05/2019	Wed	2	
Resubmission Period	01/05/2019	Wed	10/05/2019	Fri	9	
Final Evaluation	13/05/2019	Mon	17/05/2019	Fri	4	
Internal Approval & Sign Off	20/05/2019	Mon	24/05/2019	Fri	5	
Award Notification Letter	24/05/2019	Fri	24/05/2019	Fri	1	
Standstill Period	24/05/2019	Fri	04/06/2019	Tue	11	
Contract Award	05/06/2019	Wed	05/06/2019	Wed	1	
Mobilisation	06/06/2019	Thu	31/08/2019	Sat	86	
Contract Start	01/09/2019	Sun	02/09/2019	Mon	2	

### Appendix 3: Contract Values, Job Numbers Issued and Distribution of Suppliers

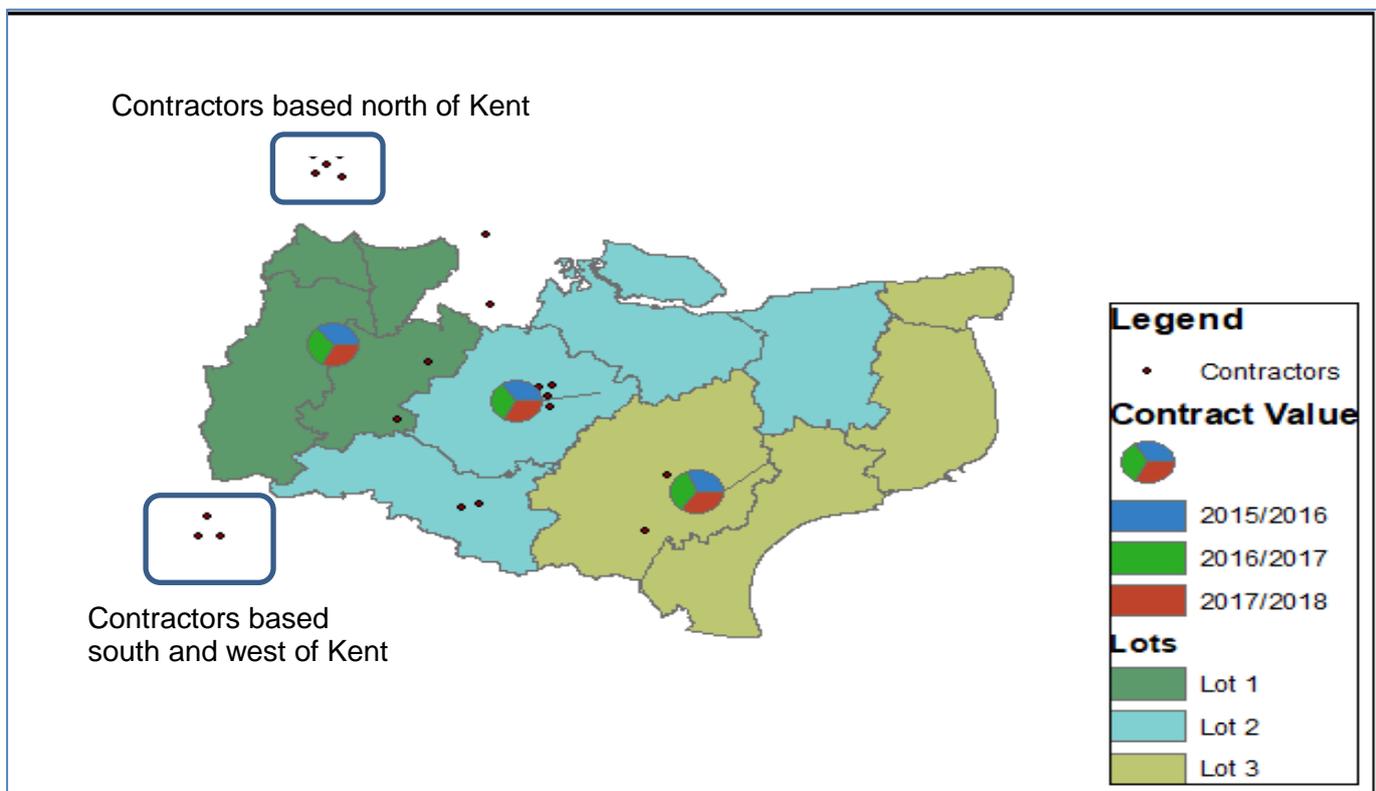
**Table 1. Tree Works Budgeted Contract Value Breakdown**

	2015/2016	2016/2017	2017/2018	Grand Total
Lot 1/3	£ 239,842.25	£ 204,410.41	£ 210,217.11	£ 654,469.77
Lot 2/3	£ 276,664.63	£ 241,758.64	£ 251,879.97	£ 770,303.23
Lot 3/3	£ 205,291.00	£ 228,204.88	£ 224,128.39	£ 657,624.27
<b>Grand Total</b>	<b>£ 721,797.88</b>	<b>£ 674,373.93</b>	<b>£ 686,225.47</b>	<b>£ 2,082,397.27</b>

**Table 2. Tree Work Job Numbers Issued**

	2015/2016	2016/2017	2017/2018	Grand Total
Lot 1/3	4,061	3,473	3,179	10,713
Lot 2/3	4,132	3,853	3,683	11,668
Lot 3/3	4,028	3,746	4,192	11,966
<b>Grand Total</b>	<b>12,221</b>	<b>11,072</b>	<b>11,054</b>	<b>34,347</b>

### Plan 1. Proposed Contract Lots and Locations of Specialist Arboricultural Contractors



**Appendix 4: Market Engagement - Tree Works Commissioning by Large Tree Owners**

**BT Tree Works Framework**

BT use a framework with national coverage to undertake tree works. They appoint one lead contractor to provide this service. The lead contractor serviced the contract across four depots using 12 in-house crews. An additional 50-60 subcontractors were employed to provide complete national coverage. Approximately 50 Schedule of Rates (SORs) items were used to specify tree works in terms of 'spans and poles'. Additional SORs were used to cover items such as use of heavy plant, mobile elevated works platforms (MEWPS) and traffic management. Issued work packages required several spans and/or poles to be cleared and would usually take 2-3 days to complete. This is a quantitative type contract for vegetation clearance.

**Environment Agency**

The EA has regional tree work framework contracts. The South East region framework contract has been awarded to three contractors.

Works below a threshold value are awarded directly to any one of three contractors. Works above the threshold required the three contractors to tender for the works.

This framework is also a quantitative type contract for vegetation clearance.

**Network Rail**

Network Rail withdrew from the recent National Tree Officer Conference and are unlikely to provide any information as their vegetation clearance policy is currently under Ministerial Review.

It is understood, that Network Rail operate a framework contract which is also a quantitative type contract for vegetation clearance.

**NHS**

The NHS is divided into approximately 342 trusts. It would appear that each NHS trust generally procures tree works on an ad-hoc basis with no formal contract in place.

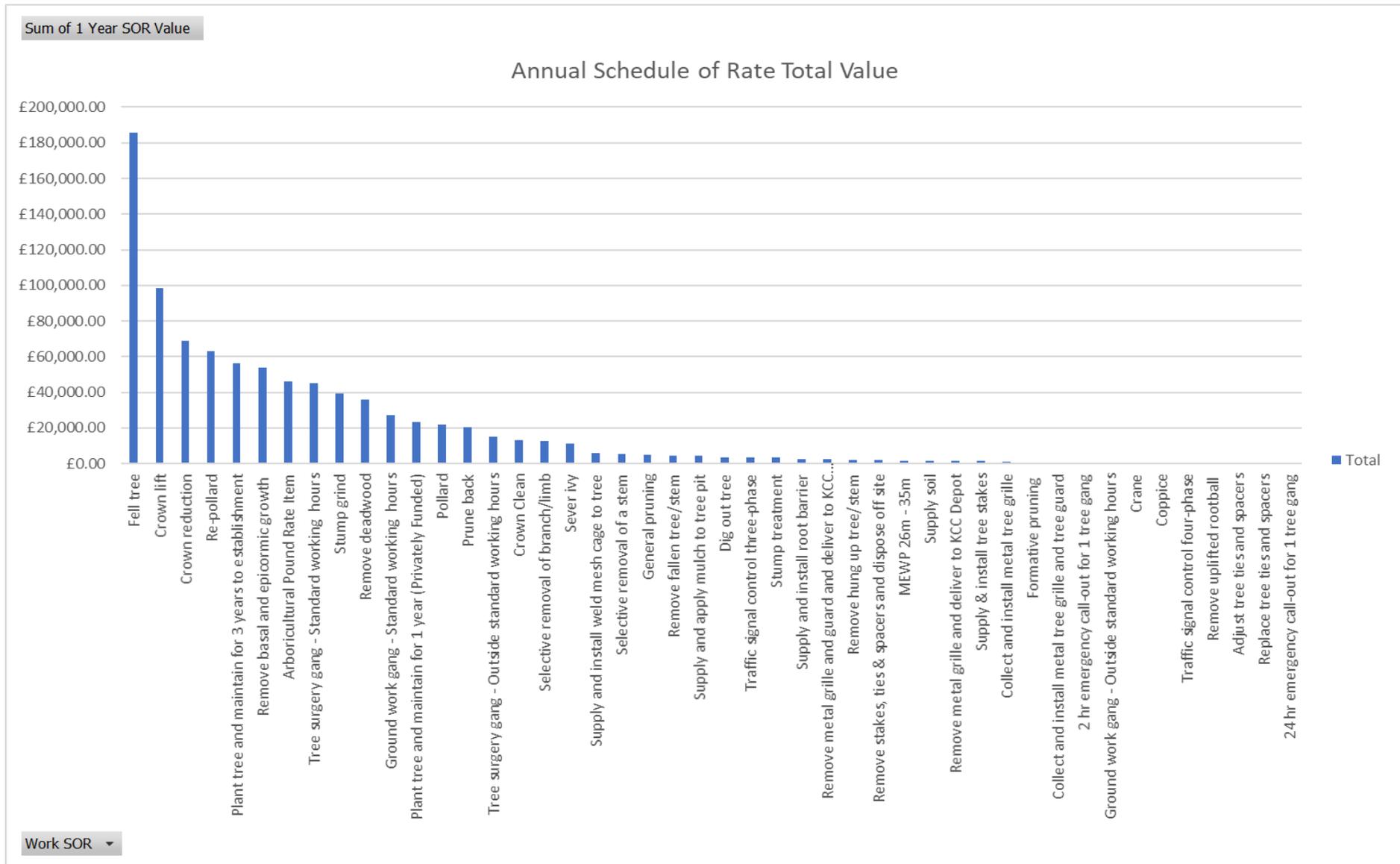
Both the East Kent Hospital and the Maidstone and Tunbridge Wells NHS Trusts were contacted regarding tree works provision. Both confirmed that tree contractors are employed on an ad-hoc basis from a call-off list for works up to a value of £10,000. Three formal estimates are required for works between the values of £10k and £35k. A formal tender process is used for works above £35K.

**Tree Officer Conference Call – Other Council Approaches to Commissioning Tree Works**

<b>Council</b>	<b>Commissioning Approach for Tree Works</b>
Reading	In-house solution
Edinburgh	In-house solution with approved list for specialist works
North Somerset	Outsourced - resource based contract
LB Westminster	Procured Term Contract
LB Camden	Procured Term Contract
Hampshire	Procured Term Contract

Attendees stated that the majority of the 32 London Boroughs procured arboriculture works via term contract arrangements.

## Appendix 5: Annual Schedule of Rate Total Value



**Appendix 6: Sample Job from CONFIRM Highlighting Use of SOR(s) and Clarity of Instruction to Contractor**

Confirm Dashboard X Data Source: Arb: Job Details X Job X Job X Map X

1 of 1 | Order Other Notice Risks Attrib Commit

Job	Additional	Current Status
Job Number: 208779	Placed on W.O. ARB04/4951357	Committed
Parent Job: [ ]		
Site: LONDON ROAD	34300615	
FARNINGHAM, KENT		
Tag Number: [ ]	Location: South side of roundabout	
Seq No.: 10,072.00	Maple, sycamore	
Area: Sevenoaks	Ward: Farnghm, Horton Kby & S Darnth	
Description: Remove 2 stems to leave one clear stem. Crown lift remaining canopy to 4m. (Low branches)	Work Location: South side of roundabout	
Job Type: INIT	Initial Notice Manually Raised	Estimated Value: [REDACTED]
Priority: Arb - A4 Within 2 months	Price Factor: Kent Alliance Standard	
Cost Code: 100004612.12	R SLAT CW Tree Works Sevenoaks	Partial Payments: <input checked="" type="checkbox"/>
Customer: No Code Allocated	Est. Start Date: 00/00/0000 00:00:00	
Customer Reference: [ ]	Actual Start Date: 00/00/0000 00:00:00	
Pref. Contr.: ARB04	Est. Completion: 06/04/2017 10:25:53	
Status: 1300	Job Paid & Closed	Target Completion: 06/04/2017 10:25:53
Officer: TMJT	Soft Landscape	Actual Completion: 30/03/2017 12:35:56

SOR Items		Status Log	Child Jobs
Job Item No.	SOR Item Code	SOR Item Name	Item Quantity
10	CS-083	Selective removal of a stem (Medium)	2.00
20	CS-012	Crown lift to 6m above ground level (Medium)	1.00

Detail