

From: Mike Whiting, Cabinet Member, Planning, Highways, Transport and Waste

Simon Jones, Director of Highways, Transportation & Waste

To: Environment & Transport Cabinet Committee Meeting – 19th March 2019

Subject: Procurement and award of contract/s for Highway Arboriculture Programmed Works

Key decision: 19/00016

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: All

Summary:

This contract will facilitate programmed and ad-hoc tree works for up to a five-year period both on or adjacent to the highway network. The current contract for this service comes to an end on 31st August 2019. A Key Decision is required to award the contract/s for this service as the value of the contract over the term, including optional extensions exceeds £1m.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Planning, Highways, Transport and Waste on the proposed decision to:

- (a) approve the procurement of the Arboriculture Programmed Works Contract and in consultation with the Cabinet Member for Planning, Highways, Transportation and Waste delegate authority to the Director of Highways, Transportation and Waste to approve the award of the subsequent contract to the preferred bidder; and
- (b) in consultation with the Cabinet Member for Planning, Highways, Transportation and Waste delegate authority to the Director of Highways, Transportation and Waste to award extensions of the Arboriculture Programmed Works Contract in accordance with the possible extension clauses within the contract.

1. Introduction

- 1.1 The arboriculture programmed works contract is 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 and tree owner.
- 1.2 The current contract comes to an end on 31st August 2019 after five years which includes two one-year extensions, no further contract extensions can be made under this contract. In order to ensure continuity of service, new arrangements need to be in place from September 1st, 2019.

2. Report

- 2.1 The contract will provide for:
 - Programmed tree works as a result of Tree Safety Audits (TSA).
 - Removal of dangerous trees and branches on both public and private property.
 - Removal of tree stumps and replacement tree planting.
 - Cyclical pollarding and basal growth removal
 - Management of Ash Dieback
- 2.2 There are currently approximately 38,500 individual tree assets on the urban highway network and 80,000 within groups, there are a further 370,000 trees within tree belts, rural areas and woodland fringes. A conservative application of the industry standard Capital Asset Valuation of Amenity Trees (CAVAT) system estimates the value of the 38,500 individual urban trees at over £371m.
- 2.3 It is important that KCC HTW delivers an effective fit for purpose highway arboriculture works service which operationally delivers, meets our statutory obligations in terms of highway Asset Management and public safety whilst protecting the reputation of the County Council in delivering this part of the Highway service.
- 2.4 Trees are a long-term organic asset and as such poor-quality tree works can have a long-lasting impact on the Soft Landscape asset with limited scope for rectification. This contract, through robust specification, contract management and quality monitoring delivers on this and secures the current tree stock into the future.
- 2.5 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 the works.

3. Commissioning

- 3.1 Market engagement meetings were held over a 3-day period in early October 2018. Twenty SME's attended and provided detailed information on their preferences for lot size, contract term and specifications which have influenced the final commissioning strategy.

- 3.2 The arboriculture works market is exclusively provided by SME's as the specialised nature of these works favours this type of supplier.
- 3.3 A Commercial Strategy report was approved by the Strategic Commissioning Board (SCB) on 31st January 2019.
- 3.4 This procurement 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).
- 3.5 The procurement will be completed using a negotiated style process with selection questions and award in two stages and will be conducted under the close supervision of Strategic Commissioning. The procurement timetable is detailed below.
- 3.6 Suppliers will be required to meet minimum standards for Health & Safety and other key selection criteria through a Pre-Qualification Questionnaire (PQQ) process. Once through the PQQ stage successful tenderers will be requested to submit a price and answer further project specific quality questions. Evaluation will be based on Price per Quality Point (PQP).

Procurement timetable

Task Name	Start	Finish
Published Contract Prior Information Notice	13/09/2018	
PQQ Publish with Draft ITT	11/02/2019	
PQQ Period	11/02/2019	13/03/2019
PQQ Close	13/03/2019	
PQQ Evaluation	14/03/2019	27/03/2019
ITT Publish	29/03/2019	
ITT Period	29/03/2019	26/04/2019
ITT Close	26/04/2019	
Tender evaluations	29/04/2019	10/05/2019
Post-Tender Negotiation Meetings	13/05/2019	15/05/2019
Resubmission Period	15/05/2019	28/05/2019
Final Evaluation	29/05/2019	03/06/2019
Internal Approval & Sign Off	04/06/2019	11/06/2019
Award Notification Letter	11/06/2019	
Standstill Period	11/06/2019	21/06/2019
Contract Award	21/06/2019	
Mobilisation	24/06/2019	31/08/2019
Contract Start	01/09/2019	

4. Financial Implications

- 4.1 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.
- 4.2 This contract has been tendered based on existing specifications and work volumes and will be contained within the Highways Asset Management - Soft Landscaping teams revenue budget.
- 4.3 The current contract has not been uplifted during the two-year extension periods and so it is expected that costs may increase in line with inflation. Until such time as tender prices are returned it is unknown if there will be any pressure on this budget.

5. Legal implications

- 5.1 The value of the Service will exceed £181,302 over the term of the Contract so contract procurement will be subject to OJEU rules.

6. Policy Framework

- 6.1 The commission accords with the County Council's Strategic Statement "Increasing Opportunities – Improving Outcomes" that communities' benefit from economic growth by being in work, healthy and enjoying a good quality of life.

7. Equalities implications

- 7.1 An equalities assessment for the Arboriculture Programmed Works service has been carried out as part of the commissioning process. No impacts have been found.

8. Conclusions

- 8.1 The current Arboriculture Programmed Works contract will end on the 31st August 2019.
- 8.2 A procurement process has commenced in line with the timetable contained within this report and as detailed in the Commercial Strategy approved by the Strategic Commissioning Board on 31st January 2019.
- 8.3 There are no further options to extend the existing contract.

9. Recommendations:

9.1 The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Planning, Highways, Transport and Waste on the proposed decision to:

(a) approve the procurement of the Arboriculture Programmed Works Contract and in consultation with the Cabinet Member for Planning, Highways, Transportation and Waste delegate authority to the Director of Highways, Transportation and Waste to approve the award of the subsequent contract to the preferred bidder; and

(b) in consultation with the Cabinet Member for Planning, Highways, Transportation and Waste delegate authority to the Director of Highways, Transportation and Waste to award extensions of the Arboriculture Programmed Works Contract in accordance with the possible extension clauses within the contract.

10. Background Documents

- Appendix A – Proposed Record of Decision
- Appendix B - Arboriculture Programmed Works Commercial Strategy
- Appendix C - EqIA – Arboriculture Programmed Works Contract

11. Contact Details

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