

## **SUPPLY OF SPRING AND SUMMER BEDDING PLANTS AND WEED CONTROL CONTRACTS**

**Submitted by:** Head of Operations – Roger Tait

**Portfolio:** Environment and Recycling

**Ward(s) affected:** All

### **Purpose of the Report**

To consider options for the future procurement of the Weed Control Contract.

To consider options for the future procurement of the Spring and Summer Bedding Plants Supply Contract.

### **Recommendations**

(a) That Cabinet authorises the Head of Operations to seek tenders for the supply of spring and summer bedding plants for a 5 year period commencing December 2013, and following consultation with the Portfolio Holder, accept the most economically advantageous tender within the existing budget provision.

(b) That Cabinet authorises the Head of Operations to undertake an appropriate procurement exercise for the supply of summer bedding plants for summer 2013 and spring 2014 only, following the demise of the current contractor who will be unable to meet the Council's requirements for period.

(c) That Cabinet authorises the Head of Operations to seek tenders for the Weed Control Contract for a 5 year period commencing April 2013, and, following consultation with the Portfolio Holder, accept the most economically advantageous tender within the existing budget provision.

(d) Simultaneously to (iii), that the Head of Operations explores the feasibility of delivering the weed control work using the Council's Streetscene Business Unit and, following consultation with the Portfolio Holder, set up the necessary arrangements to implement the work if cost effective to do so.

(e) If option (iv) proves to be the best option for the Council, that the procurement exercise in option (iii) is cancelled.

### **Reasons**

To secure continuation of the supply of spring and summer bedding plants for the Council until November 2018.

To secure the continuation of the weed control works within the Borough until March 2018.

## **1. Background**

### **1.1 Weed Control Contract**

Following a competitive tendering exercise in 2007 a contract was entered into with Gibson and Faulding Ltd for all weed control works within the Borough's allocated area. This contract was broken into three main categories:

- highway weed control
- obstacle weed control within grass areas
- other associated weed control

Highway weed control is the responsibility of the Highway Authority (Staffordshire County Council). The contract for this work is currently managed by the Borough Council on an annually approved basis as part of a package of highways grounds maintenance work provided to the County Council by the Borough Council.

Highway weed control treatment is carried out on 2 occasions per year: April/May and July/August in all areas of the Borough north and east of the M6 corridor. The remaining areas to the south and west of the M6 corridor are managed by the County Council. The contract includes the chemical herbicide spraying of the road kerb edges, footpaths, adopted rear alleyways, and the boundary edges of the footpaths. The estimated cost of this work is around £49,000.

Obstacle weed control is carried out on all grass areas which are regularly mown, including highway verges, parks, sports grounds and green spaces. This weed spraying facilitates more efficient mechanised bulk grass cutting operations. The estimated cost of this work is around £23,000.

## 1.2 **Spring and Summer Bedding Plants Contract**

Following a competitive tendering exercise in September 2007 a contract for 5 years was entered into with Greenhouse 2000/Stoke City Council for the supply of spring and summer bedding plants and hanging baskets within the Borough.

The estimated number of bedding plants purchased last year was around 150,000. This has reduced since the last tender process in 2007 by approximately 40%, which has been replaced with more sustainable planting such as herbaceous and shrub material.

Due to the need to plan bedding plant displays 9 -12 months in advance of the planting dates, the contract allows for the nursery to grow the plants from seeds, plugs or cuttings and in the case of dot plants an 18 month period is allowed. This is why the contract dates vary by 18 months from award of contract (January 2013) to the first season of supply (summer 2014).

## 1.3 **Issues in connection with the Weed Control Contract**

There are 3 general options for the future procurement of these contracts as follows:

- (i) **Enter into a new contract with the existing contractor**  
This would preclude an external tendering exercise and necessitate the waiving of Standing Orders. The Council would need to be satisfied that it was complying with all relevant legislation and achieving value for money if this was selected as the preferred option.
- (ii) **Expose the work to a competitive tendering process**  
This would result in a new and currently unknown contract cost and necessitate a set timetable for the tender process.
- (iii) **Incorporate the work (weed killing contract only) within the remit of the Council's Streetscene Business Unit**  
This would result in a need for additional seasonal staff resources in the Streetscene Business Unit. However, it is envisaged that these costs would be met from the

existing budget provision for weed control provided by Staffordshire County Council and the Council's own revenue budget.

#### 1.4 **Issues in connection with the supply of bedding plants**

In respect of the supply of bedding plants contract, there are 2 general options for the future procurement of this contract as follows:

- (i) **Enter into a new contract with the existing contractor (for a further 5 years)**  
In July 2012 the existing contractor (Greenhouse 2000/Stoke on Trent City Council) notified the Council that it was closing down its operation and would be unable to meet the contractual requirement for the final round of bedding plant supply for summer 2013 and spring 2014. The Council will therefore need to undertake a procurement exercise to source a supplier for plants for summer 2013 and spring 2014 in addition to a larger procurement exercise to source plants for the subsequent 5 year period. Therefore, the option of entering into a new contract with the existing contractor is not available.

In the meantime, it will be necessary to procure summer bedding plants for summer 2013 and spring 2014 as an interim measure and a "one-off" procurement exercise will be undertaken to achieve this.

The existing contractor will, by failing to deliver plants for the whole of the contract period, be in breach of its obligations under the contract. It is therefore likely that the contract will be terminated and the Council will have to consider its rights under the Contract including the right to recover any damages the Council incurs from sourcing replacement plants for the remaining period of the contract from the contractor.

- (ii) **Expose the work to a competitive tendering process**  
This would result in a new and as yet unknown contract cost and necessitate a set timetable for the tender process.

#### 2. **Proposal**

- 2.1 It is proposed to seek tenders for the provision of the Weed Control Contract through a competitive tendering process, the new contract commencing in April 2013 for a period of 5 years.
- 2.2 Simultaneously to 2.1, it is proposed to explore the feasibility of the weed control work being undertaken by the Council's Streetscene Business Unit, and if it proves beneficial, to set up the necessary arrangements to implement the work starting in April 2013.
- 2.3 It is proposed to seek tenders for the Supply of Spring and Summer Bedding Plants through a competitive tendering process, the new contract commencing in December 2013 for a period of 5 years.
- 2.4 It is proposed to undertake an appropriate procurement exercise for the supply of replacement bedding plants for summer 2013 and spring 2014 only as an interim measure.

#### 3. **Reasons for Preferred Solution**

- 3.1 To secure continuation of the supply of spring and summer bedding plants for the Council until November 2018.
- 3.2 To secure the continuation of the weed control works within the Borough until March 2018.

#### 4. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

4.1 Creating a cleaner, safer and sustainable Borough.

4.2 Creating a Borough of opportunity.

#### 5. **Legal and Statutory Implications**

5.1 Highway weed control is the responsibility of the Highway Authority (Staffordshire County Council). The Borough Council currently carries out this function on behalf of the Highway Authority and is reimbursed annually for the work.

5.2 There is no statutory duty to provide bedding plant displays.

#### 6. **Equality Impact Assessment**

6. In seeking to protect and improve the quality and sustainability of the environment to the benefit of all residents there are no identified differential equality impacts.

#### 7. **Financial and Resource Implications**

##### 7.1 **Weed Control Contract**

The cost of the works is met from within the approved General Fund Revenue Programme for the Community Business Unit (Parks and Open Spaces), and the highway element of the work is recharged to the County Council's Highways Department.

In 2011 / 2012 the total value for the weed control contract was £72,000. This figure has been adjusted annually to include the inflationary uplift. Of this sum, £49,000 is funded by Staffordshire County Council and the remaining £23,000 is funded by the Borough Council.

If the work was exposed to a competitive tender process, there would be an additional resource requirement of staff time involved in the process of writing, advertising and preparing a tender package should this option be chosen.

If the work was to be delivered by the Streetscene team, there would be an additional seasonal staff resource requirement to carry out the work. It is envisaged that this cost would be met from the existing budget provision for weed control provided by Staffordshire County Council (£49,000) and the Council's own revenue budget (£23,000).

##### 7.2 **Supply of Bedding Plants Contract**

The cost of the works is met from within the approved General Fund Revenue Programme for the Community Business Unit (Highways Amenities, Town Centre/Roundabout Planting), within which the purchase of bedding plants costs are included.

In 2011/2012 the contract value for the purchase of the bedding plants and hanging baskets was £47,000. This figure alters marginally each year according to the type and numbers of plants that are required.

There would be an additional resource requirement of staff time involved in the process of writing, advertising and preparing a tender package should option (i) be chosen.

## 8. **Major Risks**

### 8.1 **Weed Control Contract**

#### Option (i)

- The decision not to tender open to external challenge.
- The existing contract rates may not be cheaper than those gained from a competitive tender process.
- Limited opportunity to alter existing methods of operations.

#### Option (ii)

- The new contract price may exceed current budget.
- Committed to a similar level of expenditure for the contract period.

#### Option (iii)

- Risk of placing additional pressure on other core services provided by Streetscene Business Unit if all Grounds Maintenance work is in-house.
- The Council must take proper account of the protection of employment rights provided by the Transfer of undertaking Regulations in assessing the options.

### 8.2 **Supply of Bedding Plants Contract**

#### Option (i)

- As the current contractor is closing down it's operation, Option 1 is not available

#### Option (ii)

- The new contract price may exceed current budget.
- Committed to a similar level of expenditure for 5 years.
- The Council must take proper account of the protection of employment rights provided by the Transfer of undertaking Regulations in assessing the options.

## 9. **Key Decision Information**

- 9.1 The decision involves major expenditure, will impact on more than 2 wards, and has been included in the forward plan.

## 10. **Earlier Cabinet/Committee Resolutions**

- 10.1 Cabinet Decision 2007

## 11. **List of Appendices**

None

## 12. **Background Papers**

Contract Documentation