

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 19 July 2016	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 2 – Contract Award for the Parks Grounds Maintenance Service	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Maisie Anderson, Public Health, Parks and Leisure	

### **FOREWORD – COUNCILLOR MAISIE ANDERSON, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE**

Southwark is renowned for its beautiful and well kept green spaces. A greener borough is central to our vision for a fairer future for all, and our parks and green spaces are central to this. High quality green spaces improve the health and wellbeing of our communities and contribute towards making Southwark such a prized borough in which to live and work.

Ensuring that the holder of our grounds maintenance contract shares this vision – providing a top quality service, a sustainable approach and value for money – is therefore of the utmost importance. Quality of service and value for money are central to our procurement processes and it is essential that the council is confident that it can secure this before awarding contracts to work with external partners.

The council's current grounds maintenance contract with Quadron will expire on 2 October 2016. The contract that has been tendered is borough-wide covering some 97 sites including five major parks, 33 local parks, 15 gardens and squares, two sports grounds, three cemeteries and 39 other open spaces.

This report sets out the competitive tendering process that has taken place since Cabinet approved the Gateway 1 report in March 2015. It highlights that whilst there was initially significant interest in the contract, three of the five shortlisted bidders withdrew before the deadline. In light of the large disparity in tenders between the two remaining bidders, there was an attempt to clarify that one of the bidders had understood the criteria of the tender, however they did not choose to make any adjustments to their bid.

As a result, Quadron – the incumbent provider – were successful in their bid. As they are currently holding the contract, the transition process to the new contract should be smooth. The quality of service they have provided over the last 12 years has been very high and I am confident that this will continue. Whilst a saving has not been identified through this tendering process, I am confident that Quadron are the right provider for Southwark and their 'above and beyond' approach qualifies them to take on this new contract.

## **RECOMMENDATIONS**

1. That cabinet approves the award of the contract to maintain the council's parks and open spaces to Quadron Services Limited (QSL) commencing from October 2016 at an annual value £2,761,435 for a period of seven years with an option to extend for a period or periods of up to a further seven years making a total revenue value of £38,660,090.
2. That cabinet notes that QSL's tender assumes a capital cost of £1,179,748 in year 1 by the council for the purchase of capital equipment being vehicles and plant items for use in the contract for the initial seven year period as detailed in paragraph 15-17.
3. That cabinet notes that the delivery of the council's Fairer Future promise of increasing the number of Green Flags, as outlined in paragraph 18, will be delivered via the contract.

## **BACKGROUND INFORMATION**

4. The gateway 1 report for the procurement strategy was approved by Cabinet on 17 March 2015. The procurement route approved was for the council to carry out a competitive tendering exercise by way of an EU tendering process to seek a minimum of five tenders. The procurement timetable and methodology approved in the gateway 1 report was followed and is set out in the procurement project plan at Table 1.
5. The gateway 1 report identified additional services that were considered for inclusion in the new contract; the management of outdoor sports facilities in parks and grave digging. It was proposed that these services were priced as an additional option to the grounds maintenance contract to allow for further review. However following advice from legal and procurement it was agreed that these options should not be included in the original tender specification. Bidders were therefore not asked to tender for these services.
6. The council's current grounds maintenance contract with Quadron Services Limited (QSL) which commenced in May 2004 will expire on 2 October 2016. QSL's current contract performance has regularly exceeded the agreed performance target with an average score of 93 per cent over the past two years. Park stakeholders including 'friends of' groups are also satisfied with QSL's performance and parks customer satisfaction scores remain high.
7. The company's strong performance has assisted the council in gaining 23 Green Flags for parks in 2015. QSL has also won three national BALI (British Association of Landscape Industries) awards for landscape maintenance at Dulwich Park, Burgess Park and Southwark Park and two principal BALI awards for Burgess Park and Southwark Park.
8. The contract is borough-wide covering some 97 sites including five major parks, 33 local parks, 15 gardens and squares, two sports grounds, three cemeteries and 39 other open spaces.
9. The contract is based on six operational areas centred on the five major parks; Burgess Park, Dulwich park, Geraldine Mary Harmsworth park, Peckham Rye park, Southwark park, and the cemeteries. The scope of the services within the contract include:

- Grass, shrub and rose bed maintenance
- Maintenance of hedges and young trees
- Seasonal bedding supply and maintenance
- Litter management, sweeping and cleaning including:
  - Leaf clearance
  - Litter and dog waste bins
  - Dog waste removal service
- Sports pitch maintenance including:
  - Football pitches
  - Cricket squares
  - Bowling greens
  - Artificial surfaces
- Maintenance of water features
- Park attendants
- BMX attendants
- Gate opening and locking service.

10. The contract is largely output based and specifies the standard to be achieved for example the height of grass to be maintained at all times. However it sets out minimum inputs and frequencies that the council believes are required to achieve the specified standards. The contract is priced on an annual unit basis for each type of work (e.g. grass cutting) and full quantities of work for each site are provided within the bills of quantities.

11. The key objectives of the procurement strategy were:

- Social and Fairer Future priorities;
- Maintaining the quality of parks and open spaces
- Sustained service improvement (including greater innovation and community involvement)
- Reducing costs
- Sustainable asset management
- Flexibility to make changes to the service as necessary.

12. Details of the procurement project plan are shown in Table 1 below.

**Table 1. Procurement project plan (Key Decision)**

<b>Activity</b>	<b>Completed by/Complete by:</b>
Approval of Gateway 1: Procurement Strategy Report	17/03/2015
Invitation to tender	08/12/2015
Closing date for return of tenders	19/02/2016
Completion of evaluation of tenders	15/04/2016
Forward Plan	25/01/2016
DCRB Review Gateway 2:	18/05/2016
CCRB Review Gateway 2:	26/05/2016
Notification of forthcoming decision – despatch of Cabinet agenda papers	27/06/2016

<b>Activity</b>	<b>Completed by/Complete by:</b>
Cabinet Approval of Gateway 2: Contract Award Report	19/07/2016
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	01/08/2016
Standstill Period	01/08/2016
Contract award	02/08/2016
Add to Contract Register	09/08/2016
TUPE Consultation period	N/A
Contract start	03/10/2016
Publication of award notice in Official Journal of European (OJEU)	09/08/2016
Publication of award notice on Contracts Finder	12/08/2016
Contract completion date	01/10/2023
Contract completion date – if extension(s) exercised up to maximum of 7 years	29/09/2030

## **KEY ISSUES FOR CONSIDERATION**

### **Description of procurement outcomes**

13. The key objectives identified in the procurement strategy will be delivered through the specification and related contract documents including the ability to;
- deliver pre-identified standards and continuous improvement
  - deliver efficient and effective services while demonstrating value for money
  - deliver best practice and innovation
  - provide flexibility to manage change and emerging priorities.
14. A soft market testing exercise was carried out with five leading grounds maintenance companies to gauge their views on issues such as contract packaging, contract term, innovation and efficiencies. The exercise identified some key areas of potential savings and the contract was tendered on the basis that;
- the council would provide capital for the purchase of all vehicles and major plant items
  - the contract length would be seven years with an option for a further seven years
  - proposals would include the management and use of volunteers
  - we would seek contractor innovation during the lifespan of the contract to further achieve efficiencies.
15. The use of capital for the purchase of all vehicles and major plant items was identified in order to reduce the revenue cost and achieve the identified savings on the contract. As part of the tendering process for the contract, tenderers were asked to identify within their tender the annual sum for this provision and the capital sum required in year one. Details of the tender evaluation process and the tenders received are shown in paragraph 34-45 and within the closed report.

16. QSL's annual value of £2,761,435 assumes the council will purchase capital equipment being vehicles and plant items for use in the contract of £1,179,748 in year 1.
17. The useful life of the vehicles and major plant items funded by capital investment is seven years and if the contract is extended, a new arrangement would need to be made in relation to these items for future years.

### **Policy implications**

18. The parks grounds maintenance contract will have cross cutting benefits in promoting good health and social cohesiveness. It will be the vehicle for delivering the council's Fairer Future promise of increasing the number of Green Flags in parks and extending opportunities to all residents to maintain and improve their health and wellbeing.
19. The Fairer Future promises were agreed through the council plan in 2014 and included five values, two of which are relevant to the procurement of grounds maintenance services;
  - Spending money as if it were coming from our own pocket
  - Making Southwark a place to be proud of.
20. The award of this contract to QSL should continue to deliver high standards of grounds maintenance in parks and open spaces and assist the council in maintaining the customer satisfaction target for parks.
21. The grounds maintenance service also contributes to the Biodiversity Action Plan through protecting and maintaining open space and the delivery of the Open Spaces Strategy through the effective management of high quality open space and improving access to nature.

### **Tender process**

22. It was agreed that the procurement route for this contract would be the restricted tender process pursuant to the Public Contracts Regulations (2015), whereby an invitation was issued for expressions of interest via a pre-qualification questionnaire. Those service providers who were shortlisted (up to five organisations) following evaluation of the pre-qualification questionnaires were then invited to tender.

### **Tender prequalification questionnaire (PQQ)**

23. The contract was advertised on 8 October 2015 through the OJEU and contracts finder website.
24. Eight PQQ's were submitted via the dedicated parks contract mailbox. The market response to the PQQ process was less than that anticipated and it is difficult to understand the reasons for this. Never the less, sufficient response and market interest was received to evaluate against the set criteria and process.
25. The PQQs were evaluated against a pass/fail assessment for the mandatory PQQ requirements and a scoring of the project related questions specific to this

tender such as quality management, experience of operating a similar contract, stakeholder engagement and social values.

26. All eight organisations passed the PQQ, but in accordance with the council's stated selection criteria, only the top five ranked providers were invited to tender as shown in Table 2 below. Further details of the companies who returned a PQQ and their scores are shown in the closed report.

**Table 2. PQQ Evaluation**

<b>Name</b>	<b>Rank</b>
Quadron Services Limited	1
Glendale Countryside Limited	2
The Landscape Group Limited	3
ISS Facility Services - Landscaping	4
John O'Conner (Grounds Maintenance) Limited	5

**Invitation to tender (ITT)**

27. On 17 December 2015, a bidders day took place at Burgess Park with a presentation from officers and self guided tours of the sites included in the contract. Nine representatives from four of the five companies invited to tender attended the meeting. John O'Conner (Grounds Maintenance) Limited did not attend and withdrew from the tender process on the day.
28. The council encouraged tenderers to visit the sites covered by the contract to enable the preparation of fully informed and high quality proposals.
29. During the tender process two of the five organisations invited to tender withdrew from the process and a third failed to submit a tender.
30. John O'Conner confirmed on the 17 December that 'having made an initial assessment of your contract requirements, on this occasion we do not consider ourselves to be best placed to offer you a value for money bona-fide tender'.
31. The Landscape Group confirmed that "As of today (17 February), TLG's parent company (idverde ltd) has completed the acquisition of Quadron Services Ltd, and therefore TLG and QSL are now sister companies rather than competitors. As a result, TLG must now withdraw from this procurement – therefore please accept this letter as our formal intention of withdrawal".
32. ISS failed to return a tender and confirmed their withdrawal in a subsequent telephone conversation on the 22 February stating that "Due to an internal re-organisation, ISS were unable to give this tender the attention it deserves and therefore were unable to submit a tender."
33. The two remaining tender returns were evaluated using published evaluation criteria based on a Most Economically Advantageous Tender (MEAT) approach which comprised a technical evaluation and a financial evaluation to assess quality and price. The council standard price: quality ratio for evaluating tenders is 70:30. However, with very competitive financial tenders expected it was important to ensure that standards of quality and delivery are maintained. In accordance with the gateway 1 report, the tenders were evaluated using a 60:40

price: quality ratio with quality thresholds set for all key method statements. The 13 method statements for the technical criteria are listed in Table 3 below.

**Table 3. Technical method statements and price weighting**

<b>Quality/Technical criteria</b>	<b>Weighting</b>
Staff resources	6%
Vehicles, machinery and equipment	6%
Social values	4%
Environmental considerations (Pesticides, Waste and recycling)	4%
Health and Safety	3%
Quality management systems	3%
Volunteer management	3%
Partnership working	3%
Continuous improvement and innovation	2%
Management and communication systems	2%
Stakeholder engagement and consultation	2%
Depots	1%
Contract Mobilisation	1%
<b>Technical weighting (Quality)</b>	<b>40%</b>
<b>Price weighting (Overall Price)</b>	<b>60%</b>

### **Tender evaluation**

34. The published evaluation methodology confirmed that a weighting of 60 per cent will be applied to the overall Contract Price including the annual cost for the purchase of all vehicles and major plant items.
35. The Contract Price was evaluated based on the lowest sustainable Tendered price. The lowest sustainable Tendered price received a score of 60 per cent i.e. all of the available marks with subsequent Tenders scored as a percentage of this.
36. The council received two tenders for the contract details of which are shown in the closed report.
37. Tenderers were asked to identify the annual capital cost for the provision of vehicles and major plant items and any savings arising from the council providing this capital in year 1.
38. Tenders were subject to an initial compliance check to confirm that;
  - Tenders had been submitted on time, were completed correctly and met the requirements of the Invitation to Tender
  - That no tenderer had contravened any of the terms and conditions of the Restricted Procedure or the tender process – either provided in the Public Contracts Regulations 2015 (as amended) and/or the Invitation to Tender
  - That each tenderer had confirmed the acceptance of the terms and conditions of the contract.

39. Despite having received only two tender returns officers were satisfied that, having passed the initial compliance check both tenders were capable of offering value for money and that it was appropriate to evaluate them.
40. Returned tenders were reviewed by an evaluation panel comprising suitably qualified officers reflecting the nature of the contract. The core panel were;
  - Head of Parks and Leisure
  - Parks Service Development Manager
  - Head of Service Development
  - Business Services Manager
  - Parks Area Contracts and Service Manager
41. A number of council business units contributed to the process and they are listed below;
  - Environment and Leisure Health and Safety
  - Procurement Advice Team
  - Departmental Finance
42. Key stakeholders including 'friends of parks' groups were invited to participate in the evaluation process as part of the consultation exercise carried out on the specification. However no expressions of interest were received to participate in the evaluation process.
43. QSL received the highest combined score, evaluated in accordance with the council's stated evaluation methodology, and as the most economically advantageous tender is recommended for award of this contract. QSL received the highest score for both price and quality. Full details of the scores for the two tenderers are noted in the closed report.
44. The award of the contract is based on M.E.A.T. The evaluation methodology set out that the top scoring tender would be awarded a contract. It is therefore recommended that QSL be awarded the contract.
45. QSL scored 7 (good response) in 6 of the 13 method statements, and obtained a satisfactory response in the remaining 7 method statements. Particular areas of strength were Health and Safety, staffing, vehicles machinery and equipment, continuous improvement and innovation, management and communication systems.

#### **Plans for the transition from the old to the new contract**

46. As QSL are the incumbent service provider, the council are able to work early with them to ensure a smooth transition to the new contract.
47. The council has identified a work depot in each of the six identified operational areas for the purposes of providing the grounds maintenance service.
48. New leases will be granted for each of the depots to enable the contractor to carry out the services. The leases will exclude security of tenure and will expire at the same time as the contract (after seven years or earlier if the contract is terminated earlier). The leases can be extended if the contract period is

extended. The cost of the depot maintenance liability and utility charges are included within the contract price.

49. The contractor has confirmed their intention to use the depots for the performance of this contract and will enter into a lease with the council for these premises.

#### **Plans for monitoring and management of the contract**

50. The client role including the management and administration of the contract will be managed by the parks operations team who will ensure that the contractor complies with the terms and conditions of the contract, contractor method statements and all related documents including the service specification and payment of LLW.
51. The contract will be measured on a monthly basis. Performance will be analysed and both the contractor and client work together to bring about continuous improvement. Customer satisfaction scores will continue to be monitored via resident surveys which will be undertaken on a quarterly basis.
52. The contract includes provisions should there be a need to default for poor performance and the ability to terminate the contract early for significant service failure including for any union membership blacklisting activity.

**Table 5. Identified risks for the new contract**

<b>Risk No.</b>	<b>Risk identification</b>	<b>Risk level</b>	<b>Mitigating action</b>
R1	No contract in place on 03/10/2016	Low	Project management of procurement process
R2	Contract fails to perform to contract standard	Low	Strong performance management, Incumbent contractor, history of high performance. Default and termination clauses included within contract documentation
R3	Under resourcing of the contract.	Low	All existing resources identified during the procurement process and detailed staffing proposals submitted. Staffing levels will be monitored on a monthly basis.
R4	Poor transition of services from the existing contract to the new contract	Low	Incumbent service provider, detailed mobilisation plan submitted, experience of change management, and effective project management with regular communication with the council
R5	Provision of new vehicles and major plant items for the start of the contract	Low	Capital sum identified. Item included in detailed mobilisation plan submitted and effective project management as above

#### **Equalities and community impact statement**

53. The contract is borough-wide and covers the majority of parks and open spaces. The contract specification will seek to maintain and improve the quality of the service and customer satisfaction level, currently 93 per cent. This is measured

by the Southwark Tracker Survey which is undertaken externally four times a year and includes parks and open spaces.

54. The impact of the grounds maintenance service will affect all communities/groups, residents, businesses, visitors and those that pass through the borough and will in turn improve the quality of life for all. Direct benefits are well maintained parks and open spaces that make an important contribution to the enjoyment of all. Continued emphasis on maintenance will especially benefit the most vulnerable members of the community i.e. the elderly, the disabled and young children providing clean, safe and well maintained parks. People in all areas of the borough are affected by the quality of the parks and their assets.
55. The Public Sector Equality Duty imposed by the Equality Act 2010 states that public authorities must give 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic (including disability) and those who do not. The procurement of this contract is not considered to have any detrimental impact on local people and communities.
56. A stage one Equalities Assessment has been carried out and no significant impacts were identified in relation to any protected characteristics. Any impacts are likely to be beneficial in terms of the active use of parks and open spaces and the promotion of general wellbeing. No specific issues were identified during the procurement process that would have any detrimental impact on local people and communities and therefore no further analysis is required.

### **Sustainability considerations**

57. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

### **Economic considerations**

58. The contractor has committed to supporting the council's policy of delivering a stronger local economy by focusing their recruitment, training and development strategies within the borough. The contractor is committed to implementing local initiatives for the promotion of employment and training, offering work placements and running annual employment fairs. Advertisements for job opportunities will be promoted through numerous local outlets.

### **Social considerations**

59. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, our contractors and sub-contractors pay staff at a minimum rate equivalent to the LLW rate. The gateway 1 report confirms, for the reasons stated in that report, payment of LLW was an appropriate and best value requirement for this contract offering enhanced quality of work from a motivated workforce and a lower staff turnover. QSL have confirmed that they meet the LLW requirements. Following award, quality improvements and costs implications linked to the payment of LLW will be monitored as part of each of the contract review processes.

60. The contractor has committed to continuing to employ, as a minimum, five apprentices across the contract each year throughout the duration of the contract. The contractor has extensive experience of running apprenticeship and NVQ schemes and has a good track record of delivering award winning schemes including two recent pride of London awards and Horticulture Week's apprentice of the year for apprentices within the current contract.
61. The contractor fully supports the council's approach to not utilising zero hour contracts and has a commitment to employing full and part time staff as opposed to casual staff which has been factored into their staffing structure and costs.
62. The contractor recognises Trade Unions and has committed to continue working with them throughout the life of the contract. 90% of QSL's current staff in Southwark are members of the BCSA Union. QSL's approach to maintaining good working relationships with the Union is summed up by its General Secretary, Ted Purcell, who has written that "we have found management within Quadron Services at all levels very approachable; they are willing to meet on a regular basis to try and resolve any work place issues that arise". He also complimented "the professional way they manage and support their staff."

#### **Environmental considerations**

63. The contract requires that vehicles used by the contractor are 'clean and green' with classification specified as, i.e. Euro Class 6 or equivalent as a minimum. Vehicles are required to be regularly emission tested and well maintained.
64. The contract specification sets out requirements relating to the recycling and reuse of all green waste.
65. The scheduled use of pesticides is not permitted within this contract.
66. The contractor is ISO 14001(Environmental Management) accredited and is committed to retaining specific accreditation for this contract.

#### **Market considerations**

67. QSL currently employs over 700 full time staff. This includes a head office support function of 21 staff and eight regional support staff.
68. QSL are the incumbent service provider and operate other local authority contracts for Kensington and Chelsea, Kingston upon Thames, Hammersmith and Fulham, Croydon, Wandsworth, Birmingham and Bristol City Councils, Charnwood, Wokingham and Tandridge Borough Councils, Medway and Teignbridge District Councils.

#### **Staffing implications**

69. TUPE will not apply as the award of the contract is to the incumbent service provider.
70. The contractor has current Investors in People accreditation and is committed to continue with this accreditation.

71. There will be no impact on council staff caused as a consequence of implementing this contract. Officers are already fulfilling the monitoring roles of the current contract and this function will continue under the new contract. The contract will be managed by the council's parks service development manager.

### **Financial implications**

72. The report seeks approval for the award of parks grounds maintenance contract from October 2016 at an annual value £2,761,435 for a period of seven years with an option to extend for a period or periods of up to a further seven years making a total value of £38,660,090.
73. The contract cost will be subject to an annual inflationary adjustment in line with the Consumer Price Index (CPI). The first adjustment will be made on the 1<sup>st</sup> April 2018 and annually thereafter throughout the contract period, including any extension permitted.
74. The contract includes payment of the London Living Wage (LLW). LLW will increase from 1 April 2016 by £67,000; these costs are included in the figures above and will be covered by the existing revenue budgets within the Parks and Leisure division.
75. The proposed annual revenue contract cost of £2,761,435 was less than the estimate within the Gateway 1 report and can be contained within the divisional budget.
76. In addition to the above annual revenue costs, the proposed contract award also assumes the council will purchase capital equipment being vehicles and plant items for use in the contract of £1,179,748 in year 1.
77. Any contract monitoring and supervising costs will be funded from the existing Parks and Leisure division's revenue budgets.

### **Legal implications**

78. Please see concurrent from the director of law and democracy.

### **Consultation**

79. The parks conference held with stakeholder groups in June 2015 included a workshop on priorities for the new contract. Stakeholders were asked to consider the relative importance of a range of specification items which would be used to assess areas of potential savings for the contract.
80. All stakeholders were subsequently given the opportunity to review and comment on the draft specification. Stakeholders were also given the opportunity to participate in the tender evaluation process.
81. Feedback from stakeholders on the specification has been used to shape the specification for this contract.
82. The cabinet member for public health, parks and leisure will be regularly updated on performance and any other contract issues.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (FC16/007)**

83. The strategic director of finance and governance notes the recommendations in this report for the award of a contract to maintain the council's parks and open spaces. The first year contract costs fall within the financial year 2016-17 for which the budget has already been agreed, and the financial implications note that these can currently be contained within budget. The contract lasts for 7 years and is subject to an inflationary increase using CPI.
84. The contract arrangements also include the purchase of capital equipment to be used by the contractor in pursuit of the contract. The use of council capital funds in this way will need to be agreed as part of the capital programme update elsewhere on the agenda. Use of capital in this way has led to a lower contract cost in each year.

### **Head of Procurement**

85. This report seeks approval to award the Parks Ground Maintenance contract to Quadron Services Limited (QSL) for a contract period of seven years with an option to extend for an additional seven years. The contract is due to commence in October 2016.
86. The report confirms that the procurement strategy identified in the previously approved Gateway 1 report was followed. This was an EU Procurement following the restricted procedure, as set out by the Public Contracts Regulations (2015), with the top five scoring bidders at pre-qualification questionnaire (PQQ) stage being invited to submit a tender. It is noted that the procurement project plan has been followed as identified in the Gateway 1 report.
87. The report notes that the level of interest expected was not met by the number of PQQ's received however there were sufficient responses to evaluate and identify five bidders to invite to tender. Eight PQQs were received, all responses were compliant but as per the tender documentation only the top scoring five were invited to submit a tender.
88. The report outlines that during the tender process two organisations withdrew from the process and one bidder failed to submit a tender. The two remaining bidders were evaluated using the evaluation criteria as published in the tender documentation. Bids were evaluated on both price and technical ability with a 60:40 price/quality ratio agreed in order to ensure that the standard of quality and delivery are maintained. Bidders were required to respond to 13 method statements, a quality threshold was set for each statement.
89. The report notes that despite only two tenders being returned officers were satisfied both tenders offered value for money and met the compliance checks in order to be evaluated. QSL were awarded the highest marks on price and quality.
90. The report notes that, as QSL are the incumbent contractors there will be early engagement to ensure a smooth transition onto the new contract. The contract will be monitored and managed by the parks operations team. Performance will

be measured on a monthly basis and customer satisfaction will be monitored on a quarterly basis through the use of resident surveys.

91. The report confirms that the payment of London Living Wage (LLW) will be paid under this contract. It is also noted the commitment to no zero hour contracts and the employment of five apprentices (as a minimum) each year throughout the duration of the contract.

**Director of Law and Democracy**

92. This report seeks approval of the award of a contract to Quadron Services Ltd for the maintenance of the council’s parks and open spaces, as detailed in paragraph 1.
93. The proposed contract has been procured in line with the requirements of the EU procurement regulations (“the EU Regs”) and in accordance with the council’s Contract Standing Orders (“CSOs”). Legal advice has been provided to officers throughout the procurement process. This report confirms that the most economically advantageous tender is recommended for acceptance. The procurement process makes allowance for a standstill period between notification of the recommendation for award of the contract and the conclusion of the contract, in order to comply with the EU Regs and to demonstrate best procurement practice, and a contract award notice will be posted in the OJEU and on Contracts Finder following the award of the contract.
94. CSOs reserve the decision to authorise the award of this contract to the Cabinet, after consideration of the report by the corporate contract review board (CCRB).
95. CSO 2.3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. The financial implications section of this report details how the proposed contract will be funded.
96. Paragraph 56 notes the steps that have been taken to demonstrate compliance with the Public Sector Equality Duty imposed under the Equality Act 2010. Officers should ensure that the equality analysis is kept under regular review throughout the contract term.

**BACKGROUND DOCUMENTS**

<b>Background documents</b>	<b>Held At</b>	<b>Contact</b>
Gateway 1 - Procurement Strategy Approval Parks Grounds Maintenance Contract (Item 18)	Environment and Leisure 160 Tooley St. London SE1	Rebecca Towers 020 7525 0771
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4868&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4868&amp;Ver=4</a>		

## APPENDICES

No	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Maisie Anderson, Public Health, Parks and Leisure	
<b>Lead Officer</b>	Fiona Dean, Director of Leisure	
<b>Report Author</b>	Rebecca Towers, Head of Parks and Leisure	
<b>Version</b>	Final	
<b>Dated</b>	7 July 2016	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		7 July 2016