

Report to Councillor Jeremy Hunt, Cabinet Member for Finance and Property

January 2025

Procurement and Award of Contract: Corporate Grounds Maintenance

Report by Assistant Director (Property and Assets)

Electoral division(s): all

Summary

The County Council provides grounds maintenance services at various sites across the county including libraries, fire stations, storage depots, administrative hubs, Gypsy and Traveller sites, and family and youth centres.

Grounds maintenance is part of a group of services referred to as soft FM (Facilities management). Soft FM services were procured as a suite of contracts in 2020.

The resulting three contracts for Cleaning, Grounds Maintenance, and Security Services were reviewed at the end of their initial term in 2024, then the Cleaning and Security Services contracts were extended and are due to be re-tendered as a suite during 2026.

The grounds maintenance contract has been under significant pressure to deliver services to the agreed contract performance levels and has become unsustainable for both parties. It is not possible to vary the contract sufficiently to meet the rising costs of the service and so a new procurement procedure is recommended to award a new contract.

Recommendation

The Cabinet Member for Finance and Property is asked to approve the award by the Assistant Director (Property and Assets) of the contract for the provision of corporate grounds maintenance at the conclusion of the procurement process in accordance with the evaluation and tender requirements described and within the financial parameters as set out in sections 2 and 5 of the report. The initial contract period will end on 30 September 2027 and will provide for an optional two-year extension. The initial contract term has an estimated value of £0.75m rising to £1.35m should the extension be given.

Proposal

1. Background and context

- 1.1 The County Council will seek and identify suitably qualified and interested organisations for the provision of Grounds Maintenance Services – Corporate Estates (the Services). The aim of this contract is in part the fulfilment of a statutory duty under section 3 of the Local Government Act 1999 and in part to drive service improvement and efficiency across the Authority’s estate.
- 1.2 The grounds maintenance contract has been under significant pressure to deliver services to the agreed contract performance levels and has become unsustainable for both parties. It is not possible to vary the contract sufficiently to meet the rising costs of the service.
- 1.3 The current FM strategy is to award a single contract for soft FM in 2027 including Grounds Maintenance, Security services and cleaning. Therefore, the Grounds Maintenance contract will need to be co-terminus with the other Soft FM contracts ending on 30 September 2027.

2. Proposal details

- 2.1 The County Council intends to reprocure this service via an open procurement procedure under the PCR15 regulations to award a services contract to a single supplier. The Grounds Maintenance service is used across the county at multiple sites including Libraries, Fire Stations, Highways, Gypsy and Traveller sites, as well as youth and social service sites. The disciplines within the range required for this procurement are as follows:
 - Grass cutting - regular, rough, occasional and box
 - Shrub bed maintenance
 - Rose bed maintenance
 - Obstacle strimming
 - Fence line maintenance
 - Litter picking
 - Sweeping
 - Hard surface spraying
 - Hedge cutting/tractor flail
 - Annual bedding
- 2.2 A further key decision to approve the award of contract will not be required as authority has been provided within this report to award the contract in accordance with the scope, value and length of the contract as set out in section 2 of this report and in accordance with the tender requirements.
- 2.3 The contract will be run in line with the Council’s contract management framework. Operational contract management will be provided by the FM inhouse team and strategic contract management will be supported by procurement and contract management colleagues within the FSS directorate.
- 2.4 The specification for the service has been updated to be more prescriptive on how many staff are required for the service as well as number of depots

required, this has been put in place after lessons learned from the previous unsuccessful contract.

3. Other options considered (and reasons for not proposing)

- 3.1 Negotiate with the current provider and vary the contract to bring the service up to standard. This would require a significant rise to the value of the contract, bringing the total value of the contract above the permitted level, thus leaving the Council open to challenge.
- 3.2 An open tender divided into Lots – market research was conducted, and smaller suppliers feedback was they would not bid as they were working to capacity and recruiting to this industry is a challenge, due to seasonality and rates of pay. They would also need to invest in machinery and felt they could not compete with larger national suppliers. The on costs internally to manage multiple suppliers for this contract would be significant and would add to the total cost for the contract.
- 3.3 Adding the service onto other existing grass cutting contracts. The Highways team have a maintenance contract, but the specification is not suitable, and the services have quite different requirements. There were no tangible advantages to adding a service to that contract over and above having a separate contract.

4. Consultation, engagement and advice

- 4.1 Consultation with Local Government establishments that are geographically close as well as market research with both small and national suppliers of the service has taken place.
- 4.2 Procurement and Contract management colleagues are part of a regional Southeast Local Authority group who discuss potential collaboration or joint tendering opportunities. Grounds maintenance is a difficult market, and most neighbouring authorities have similar issues and approaches. The geography of any collaboration is a challenge to the supply market.

5. Finance

- 5.1 Revenue consequences
- 5.2 The current contract has an annual spend of £0.18m however, as set out in the report, this is not a sustainable rate for the supplier to deliver the service to an acceptable standard. It is expected that in order to deliver an acceptable service the annual cost will need to rise to £0.3m per annum.
- 5.3 The cost of the contract will be met from within the overall Facilities Management budget and the expected increase in tendered prices has been allowed for within the 2025-26 Medium Term Financial Strategy.
- 5.4 The effect of the proposal:
 - (a) **How the cost represents good value**

Re-tendering this contract represents best value for money due to the competition generated by a tender. The last tender received eight bids, at least three were viable options and the key difference between the winning bid and the runner up was price. Allowing that price to increase without further competitive tension will not provide assurance on the current market rates and value for money.

Awarding a contract for the interim period and then consolidating the soft FM services as per the initial strategy will provide the best opportunity for increased value over time.

(b) Future savings/efficiencies being delivered

The scope of services has been reduced to the minimum to maintain public facing and residential buildings at an acceptable, safe and compliant standard for Ofsted and Care Quality Commission inspections where relevant. Other savings can only be achieved by reducing the numbers of properties maintained by WSCC. In the longer term the FM strategy is to consolidate all of Soft FM under one contract to enable economy of effort and costs, ultimately being in a position to consider a Total FM Contract when the Hard FM contract completes. For this reason, the contract lengths are being designed to be co-terminus where practicable.

6. Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
No market interest	The project team will ensure that the opportunity is fully advertised to the market and to the current and known providers via all forms of available media.
Not awarding on time due to delay	The grounds maintenance service is year-round, but there is a growing season and elements that are seasonal due to nesting birds etc. The procurement programme is a well-known project, and the specifications and tender pack are broadly similar across the market.
Unsustainable or abnormally low tender responses	The specification has been modified to include the knowledge of the Council team and is now based on input specification; this will clarify exactly what the Council needs in terms of labour to deliver.

7. Policy alignment and compliance

- 7.1 Our Council Plan – to drive service improvement and efficiency across the Authority’s estate. Helping with a sustainable and prosperous economy, providing jobs as well as enhancing the environment we live in.
- 7.2 Legal implications – this contract will fulfil the statutory duty under section 3 of the Local Government Act 1999.

- 7.3 Equality duty and human rights assessment – no foreseeable impact.
- 7.4 Protecting the environment – only non-residual herbicides such as Glyphosate to be used sparingly, suppliers are encouraged to use alternative products or techniques and encouraged to support WSCC 'Net Zero Carbon Targets'.
- 7.5 Crime and disorder – no implications.
- 7.6 Public health – no implications.
- 7.7 Social value – this contract is expected to provide local employment opportunities as well as training, there would be an option to use apprentices.

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Appendices - None

Background papers - None