

Report to:	Executive Cabinet Meeting, Environmental Service Delivery		
Date of meeting:	18 April 2023		
Report of:	Place Services Jon Dyson, Director of Place	Report Number:	42904
Reporting Officer:	Garry Parker Assistant Director of Environment & Regulatory Services	Telephone Number:	
Contact Officer:	Bill Moran - Environmental Delivery Manager, Neighbourhoods Lory Hunter - Head of Environmental Delivery	Telephone Number:	
Report title:	Approval for procurement of horticultural machinery		

Not confidential

This report does not contain information which means it should be considered without the press or members of the public being present.

Purpose:	To gain approval from the Executive Cabinet Member to procure horticultural machinery.		
Recommendations:	<p>The Executive Cabinet Member is recommended to:</p> <ul style="list-style-type: none"> • Authorise the Director of Place to finalise the Council's requirements and procure horticultural machinery (via the Corporate Procurement team) in accordance with the Council's Standing Orders relating to Contracts by either; <ul style="list-style-type: none"> ○ undertaking a full tender process; or ○ identifying an existing framework agreement and then commissioning the required machinery in accordance with the terms of the same. • Authorise the Director of Place to appoint the successful tenderer to meet the Council's horticultural machinery requirements in accordance with the tender documents or existing framework agreement. • Authorise the Borough Solicitor to carry out all necessary legal formalities. 		
Decision:			
Background documents:			
Signed:	Executive Cabinet Member	Monitoring Officer	
Date:	This will be completed at the meeting.		

Consultation with other officers

Please complete this section noting which officers have provided advice.

Finance	Yes	Mar 2023	Janet Pollard
Legal	No		
HR	No		
Procurement	Yes	08/12/22	Sarah Atherton
Climate Change	No		

Information Governance	No		
Equality Impact Assessment	No		
Post consultation reports Please confirm that the consultation response has been taken into consideration in making the recommendations.		N/A	
Vision outcomes Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.		1. Start Well	
		2. Live Well	
		3. Age Well	
		4. Prosperous	
		5. Clean and Green	X
		6. Strong and Distinctive	

1 INTRODUCTION & BACKGROUND

- 1.1 Neighbourhood Services (Environmental Delivery) are looking to commence the procurement process for the provision of horticultural machinery for supply of equipment in March 2024, ready to commence service delivery from 1st April 2024. Officers are working with the GMCA procurement team to produce a specification that will give the flexibility of options for hire or outright purchase for a range of machinery.
- 1.2 The current framework agreement for the supply of horticultural machinery is due to expire on 31st March 2024. Within this contract, the Directorate of Place currently spends £110,166 per annum for the supply of horticultural machinery which includes ride on machinery, cutting implements, strimmers, blowers, chainsaws, and other pieces of equipment. This does not include maintenance which the Council provides in house through Vehicle Fleet Management.
- 1.3 The current arrangements are for the hire of larger ride on machinery and the purchase of smaller hand-held items such as strimmers and hedge trimmers however these arrangements may change in line with concurrent service reviews as staffing resources reduce.

2 ISSUES

- 2.1 In developing a specification for the required machinery Neighbourhood Services (Environmental Delivery) will take into account the current service reviews. The specification will therefore be drafted widely to afford the Council the flexibility it requires in order to manage potential future service changes. The specification will also include a number of machines for cemetery maintenance which are paid for through the bereavement services budget, and machines for arboricultural services which are paid for through the environmental assets budget.

3 MAIN BODY OF THE REPORT

- 3.1 The service is requesting to retender for a 3 year contract with an option to extend for a further 1 year, via a mini tender process within an existing framework (Crown Commercial Service), for the procurement of horticultural machinery which can accommodate in-cab technology.
- 3.2 The current contract, managed by Neighbourhood Services & cemeteries, has a value of £110,166 per annum and includes the following elements:
 - Ride on machinery including tractors
 - Handheld machinery including strimmers and blowers
 - Mowing implements for tractors
 - Arboriculture cutting and chipping equipment

- 3.3 The current hardware is over 4 years old and in need of replacement, as per market standard lifecycle patterns and evidenced through equipment reliability patterns. This equipment replacement proposal will fit in line with new technology, reduced CO2 emissions and improved fuel efficiencies.
- 3.4 Bolton Council is looking to improve performance of horticulture outputs with less down time from its current older machinery.
- 3.5 Additional revenue budget provision will also be required for the upkeep in maintenance of equipment and vehicle tracking and recording systems. This additional cost is minimal and can be absorbed by the service.

4 OPTIONS

- 4.1 Whilst quantities are subject to the ongoing service review, the specification will require the successful tenderer to provide the required machinery on one of, or a mixture of, the following three options:
- i. On a hire only basis; and/or
 - ii. On hire with support and maintenance basis; and/or
 - iii. On a supply only basis.

To attract the procurement to the market and achieve best value, the service enables the bidder to choose which of the above best suits their offer. The service currently operates on option (i) above. Should option (ii) be selected by the bidder as their preferred option, a TUPE process would apply as the Council currently employs a mechanic to support the contract.

- 4.2 The CPS framework agreement proposed for this procurement exercise for the provision of the required machinery is for a period of up to 4 years. It is anticipated that tenders would be evaluated in Spring 2023, with the successful tenderer(s) appointed in summer 2023 and machinery provided in time for the staff induction process in March 2024, ready for operational commencement from 1st April 2024.
- 4.3 The timescales for sourcing machinery under an existing framework would be a number of weeks quicker than if the Council were to go out to open tender. The service has checked that there are sufficient providers available within the framework that are capable of delivering the service.

5 IMPACTS AND IMPLICATIONS:

Financial

- 5.1 The Council wishes to retender for a 3-year contract with an option to extend for a further year.

- 5.2 The Council currently spends £110,166 per annum on the supply of horticultural machinery under the current framework agreement. Since the contract was procured, inflation rates have increased and the cost of materials has also experienced a significant increase. We expect tender prices to come in at 25% higher than the last contract at approximately £137,707.50. This does not include maintenance costs which the Council currently provides in house at an additional cost through Vehicle Fleet Management.
- 5.3 Further discussions will be required should the council find itself in a position where tender prices are subject to an increase that is not manageable within budget. Given the expectation that contract costs will increase by 25% (c£27k per year), the service is asked to have a clear understanding of how it will fund this additional cost. Options to assess are as follows:
- Fund from fees and charges income. This option is likely to be a significant challenge for the service as the in-cab system recently procured is already placing pressure on this funding stream.
 - Explore with finance the potential to purchase equipment rather than hire using capital funding. Financial modelling has been completed and has provided an additional option for the service. If this option were chosen, it is estimated that the service would need to find approximately £110k across the four year contract period in addition to existing revenue budgets. At this stage, Directors and Councillors are to note that the modelling exercise has not reduced the cost of this service. Both revenue and capital options are higher than current budgets allow.
 - Reduce the service provision to meet the available budget. However, this would require a further ECM report to amend existing policy.
- 5.4 The service is at the behest of the market and it is recommended that the Council requests bidders to submit both hire and purchase prices to test best value for money for the Council. This modelling will be reviewed as part of the procurement process.

Legal

- 5.5 The equipment will be procured in accordance with the Council's Standing Orders relating to Contracts, incorporating the Public Contracts Regulations 2015 and procurement activity will be managed by the Corporate Procurement Team in consultation with Legal Services.

HR

- 5.6 None

Climate Change

- 5.7 Since horticultural machinery was last procured the service has investigated and considered the use of alternative technologies in this sector. The most widely developed alternative fuel/energy source is chargeable electrical equipment which uses battery power.
- 5.8 Whilst the quality of the output for use of this equipment when fully charged are comparable with traditional equipment, a drop off in operational capability and quality was experienced in trials of larger mowing equipment as the level of battery charge fell during the working day. This equipment makes up the greatest proportion of grounds maintenance activity and is used by mobile teams who do not return to the depot, where charging infrastructure would need to be installed, during the working day.
- 5.9 The depots where equipment is stored (primarily Mayor St depot) is not equipped with the necessary infrastructure to support appropriate equipment charging for the large number of items of equipment required.
- 5.10 Taking the above into account, it is not felt that the market capability and operational demands are sufficiently aligned to support the procurement of battery powered equipment at this time, although the service will continue to monitor and evaluate market capability on an ongoing basis.
- 5.11 The service operates electric trimmers. These smaller pieces of equipment have worked well for the service, however, there have been issues with battery power retention capabilities in colder weather.

6 EQUALITY IMPACT ASSESSMENT (EIA)

- 6.1 At this stage it is not anticipated that the proposals will have a disproportionate impact on any of Bolton's diversity groups since the grounds maintenance services provided to the public will resume as normal.

7 Consultation

- 7.1 No consultation with the public is required since the grounds maintenance services provided to the public will resume as normal.

8 VISION 2030

- 8.1 Within the Vision 2030 Strategy, the Council will strive to deliver services more efficiently, through service improvement, redesign, recommissioning and decommissioning, based on evidence of impact. The proposals within this report contribute to this strategic council aim.

9 RECOMMENDATIONS

- 9.1 The Executive Cabinet Member is recommended to:

- 9.2 Authorise the Director of Place to finalise the Council's requirements and procure horticultural machinery (via the Corporate Procurement team) in accordance with the Council's Standing Orders relating to Contracts by either;
- (i) undertaking a full tender process; or
 - (ii) identifying an existing framework agreement and then commissioning the required machinery in accordance with the terms of the same.
- 9.3 Authorise the Director of Place to appoint the successful tenderer to meet the Council's horticultural machinery requirements in accordance with the tender documents or existing framework agreement.
- 9.4 Authorise the Borough Solicitor to carry out all necessary legal formalities.