

**MINUTES OF THE CABINET MEMBER SIGNING
WEDNESDAY, 9 APRIL 2014**

Present: Councillor John Bevan – Cabinet Member for Environment

In Attendance: Xanthe Barker – Principal Committee Officer, Andy Briggs - Head of Direct Services, Ben Brown – Sustainable Business Manager, Alex Fraser – Arboriculture and Allotments Manager.

MINUTE NO.	SUBJECT/DECISION	ACTION BY
	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
	<p>EXTENSION OF FRAMEWORK AGREEMENT FOR ARBORICULTURAL SERVICES</p> <p>The Cabinet Member for Environment considered a report, previously circulated, which sought agreement to extend the existing framework agreement for arboriculture services for two years.</p> <p>RESOLVED:</p> <p>That it be agreed that the existing framework agreement for arboriculture services be extended for two years.</p> <p>Alternative Options Considered</p> <p>Tendering for a new arboriculture services contract was considered, however, awarding a term contract to a single organisation was deemed unsuitable due to the uncertainty over agreed budgets for arboriculture in the longer term and concerns over the ability of one company to respond to peaks in demand.</p> <p>Setting up a new framework would involve extra resource time and associated costs. The resource costs to go out to tender have been calculated at circa £3,800 compared with £490 to extend the framework agreement.</p> <p>Reasons for Decision</p> <p>The arboriculture services framework expires on the 31st May 2014. It is therefore necessary to ensure provision of these services in order to avoid any break in services. The central procurement team have sought views from staff within the Arboriculture and Allotments Service concerning contractor performance, to ascertain whether the framework provides value for money. The Service has been satisfied with the work of the contractors to date. They have particularly highlighted the rapid response to the storms in October and December last year as an instant where contractors delivered a rapid and effective service. Indeed, having more than one company is considered beneficial to the Council, as large volumes of works frequently need to be</p>	<p>Dir RP&D</p>

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undertaken in a considerably short time scale, e.g. winter works pollarding programmes. Having a number of contractors available reduces the risk of works not being completed within preferred timescales.

On the current framework, the combined annual uplift applied to each contractor's schedule of rates has been below inflation (circa 7% against 17.5% over the last four years). Retendering at this juncture risks a new schedule of rates that is commensurate with RPI increases and hence more expensive than our current solution. In support of this assertion, the Council has benchmarked its schedule of rates against those of two other boroughs in the North London area. For the five most frequent requirements, the Council's schedule of rates is approximately 17% lower than those of other boroughs.

Despite the inherent financial benefits of extending the existing framework for 2 years, Arboriculture Services, in conjunction with Central Procurement, have undertaken negotiations with the incumbent framework contractors. The providers have agreed to a freeze in the schedule of rates for the next two years. This will ensure cost avoidance (in real terms) to the Council of circa £23.5k, assuming an annual rate of inflation at 2%.

Also discussed in the negotiations was the potential for the incumbent providers to include additional social value in delivery. Across all contractors, the Council has secured the provision of no less than 3 apprenticeships, assuming the Council is able to support the candidate selection process.

A Framework Agreement is flexible, in that no contractor is guaranteed any work. Works can be procured via a call-off or by using the mini-competition process. It is intended to offer works via the call-off to the contractor offering the best rate for each requirement. Working to a Schedule of Rates will reduce officer time spent on tendering and provide cost certainty.

NEW ITEMS OF URGENT BUSINESS

There no new items of urgent business.