



Haringey Council

Report for:	Cabinet Member Signing – 9 April 2014	Item Number:	
Title:	Extension of Framework Agreement for Arboricultural Services		
Report Authorised by:	Tracie Evans, Chief Operating Officer		
Lead Officer:	Alex Fraser, Arboriculture and Allotments Manager		
Ward(s) affected: All	Report for Key/Non Key Decisions: Key Decision		

1. Describe the Issue under Consideration

- 1.1. This report is seeking Cabinet Member approval to extend the Framework Agreement for Arboriculture Services for two years (01.06.14 – 31.05.16).

2. Cabinet Member Introduction

- 2.1. The Council owns a significant number of trees within the borough, making the need for high-quality arboriculture services essential. Following the storms in October and December 2013, the Council faced severe disruption to transport infrastructure. Our Arboriculture Services Framework contractors did a fantastic job in ensuring all roads were clear of fallen trees and branches, facilitating the opening of all roads within the borough by 4pm on the same day.
- 2.2. I want to ensure we continue to provide an efficient, effective and flexible arboriculture service, which is able to meet peaks in demand such as after storms and other extreme weather. Having explored options for retendering, I believe extending the current framework provides the best way of delivering services for the next two years. This framework not only demonstrates our commitment to rewarding



Haringey Council

excellent service provision, but again proves that Haringey is a Council committed to increasing the value we receive from our contractors, without compromising on price.

- 2.3. I would request that I am advised as to the outcomes concerning the additional apprenticeships that are being provided.

3. Recommendations

- 3.1. That the existing Framework Agreement for Arboriculture Services is extended for two years.

4. Alternative Options Considered

- 4.1. 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.
- 4.2. 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.

5. Background Information

- 5.1. The Council has a proactive approach to tree management which is outlined in the Borough Tree Strategy and Service Level Agreements with Single Frontline and Homes for Haringey. A cyclical inspection and maintenance programme is in place for street trees, those in housing sites and parks. Batches of tree works (£1k - £30k) are issued routinely throughout the year.
- 5.2. The Council's current framework was approved by Cabinet Procurement Committee on the 30th March 2010 and enacted on the 1st June 2010. Four contractors were selected to carry out the arboriculture requirement throughout the entire borough (details listed in Appendix A). This Framework Agreement facilitates "call offs" where the company with 1) the best price according to the schedule of rates, and 2) availability and can be accessed for specific works. Alternatively, a mini competition can be run where requirements deviate from the listings on the schedule of rates, or the required volumes might enable economies of scale. This approach complies with procurement best practice offering best value i.e. the best price with the required quality.
- 5.3. The estimated spend is £390k per annum for all services. The budget breakdown per service, per annum is:



	Highways	Housing	Parks	Education	Others	Totals
2014/15	194k	150k	30k	7k	9k	£390k
2015/16	194k	150k	30k	7k	9k	£390k

- 5.4. The terms of the existing framework do not guarantee work to any contractor. Contract performance will be monitored through regular meetings with each company's contract manager. Performance will be assessed on the following points:
- % of works completed within set timescale.
 - On site Health and Safety inspections.
 - Client/customer feedback.
 - Standard of pruning in accordance with published guidance.

6. Comments of the Chief Finance Officer and financial implications

- 6.1. This is a framework contract and the Council is not committed to a specific level of spend. Under a normal year in the absence of any major weather hazards, the service users are able to manage the spend within their budgets. The providers have agreed to a freeze in the schedule of rates for the next two years which will sustain this position.

7. Assistant Director of Corporate Governance Comments and legal implications

- 7.1. Arboriculture Services are Part B services for the purposes of the Public Contracts Regulations 2006 (as amended) (the "Regulations"), and are not subject to the full application of the Regulations. Therefore there are no legal restrictions to extending the Framework Agreement beyond four years.
- 7.2. The Framework Agreement includes a provision which allows for a two year extension.
- 7.3. In accordance with Contract Standing Order 16.03 the recommendation to extend the Framework Agreement may be approved by the Cabinet Member.
- 7.4. This is a key decision and the Directorate have confirmed that it has been included on the Forward Plan.
- 7.5. The Assistant Director of Corporate Governance sees no legal reasons preventing the Cabinet Member from approving the recommendation in the report.

8. Equalities and Community Cohesion Comments

- 8.1. An equalities impact assessment was carried out as part of the original tender evaluation process.



- 8.2. The provision of work placements for Arboriculture and Forestry students was negotiated as part of the framework extension specification. The contract is anticipated to deliver at least 3 apprenticeships over its life, supporting key equal opportunities objectives as outlined in the Council Plan, such as Outstanding for All, and Opportunities for All.

9. Head of Procurement Comments

- 9.1. This service is a Part B residual service and therefore it is permissible under law to extend the Framework Agreement beyond four years.
- 9.2. Having been involved in the commercial options appraisal, and negotiations with incumbent contractors, Central Procurement is satisfied that due diligence has been applied to the assessment of the market and the recommended solution provides best value for the Council.
- 9.3. Contract management has been put in place with Key Performance Indicators to ensure contract compliance and to mitigate the risk of poor performance.

10. Policy Implications

- 10.1. Corporate Plan 2013-15, Outstanding For All Priority 1: Work with schools, and early years and post 16 providers, to deliver high quality education for all Haringey children and young people (to be achieved by June 2013 unless otherwise stated). The introduction of apprenticeships through the contract will contribute to the Key Performance Indicator under this priority of reducing the percentage of 18 year olds not in education, employment or training to 3.6%.
- 10.2. Corporate Plan 2013-15, Safety and Wellbeing for All Priority 5: Provide a cleaner, greener environment and safer streets. The extension of the existing Arboriculture Services Framework will ensure provision for reducing the health and safety risks associated with untended flora (trip hazards, screening, uprooting etc) with contractors that have demonstrated an excellent service to date.
- 10.3. Corporate Plan 2013-15, A Better Council Priority 12: Strive for excellent value for money. The negotiation with providers has ensured the costs of delivering the service are significantly lower than current market rates, and a two year freeze on the rates will see a real term cost avoidance of c.£23.5k.

11. Reasons for Decision

- 11.1. 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



Haringey Council

services. Central Procurement has 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 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.

- 11.2. 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.
- 11.3. 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%.
- 11.4. 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.
- 11.5. 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.

12. Use of Appendices

- 12.1. Appendix A: Arboriculture Services Framework Participants

13. Local Government (Access to Information) Act 1985



Haringey Council

13.1. Original Cabinet Procurement Committee Report – Arboriculture Services Framework (30.03.10)

http://www.minutes.haringey.gov.uk/documents/s16191/2010.03.30_Item%2008_Framework%20Agreement%20Arboricultural%20Services.pdf

COUNCILLOR JOHN BEVAN

.....

DATE

.....



Haringey Council

Appendix A: Arboriculture Services Framework Participants

The four companies for inclusion on the extended framework contract are:

- City Suburban Tree Surgeons;
- London Forestry;
- Ruskins Tree Surgery;
- Ward Arboriculture.