

NORTH SOMERSET COUNCIL DECISION

DECISION OF: THE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT IN CONSULTATION WITH DIRECTOR OF FINANCE



DECISION NO: 19/20 DE 264

SUBJECT: EXTENSION OF THE CURRENT PARKS AND STREET SCENE CONTRACT FOR AN INITIAL PERIOD OF 12 MONTHS (AND A MAXIMUM OF 15 MONTHS)

KEY DECISION: YES

REASON: The decision relates to expenditure above £500,000 and more than one ward.

BACKGROUND:

The current Parks and Streets Scene contract is due to end on 31 March 2020. The contract had an initial period of 7 years and an option to extend for a further 7 years. Due to the changes in contractual requirements for the service (such as rewilding agenda etc.), an extension of 12 months is requested on the original contract basis, whilst work to engage with partners and Town/ Parish Councils takes place and the contract specification is reviewed.

DECISION:

To authorise an extension to the current contract with Glendale Grounds Management Ltd for a period of 12 months from 1 April 2020 (with a potential 3 month extension on top).

OPTIONS CONSIDERED:

There are limited other options given the end of the contract date. The original procurement process could have continued but would not ensure value for money, given the change of specification.

FINANCIAL IMPLICATIONS:

Costs

The 12 month contract extension will cost £2,185,023.98.

Funding

The contractual budget for this service is currently £1,892,600, therefore £293,000 short of the required funding. The reasons for the additional cost mostly relate to inflationary increases in price since the contract was originally tendered. The original contract had a deflator element, which has meant that significant changes such as the increase in National Living wage have not been reflected in the contractual price to date. General

running costs of plant and machinery have also increased in this time. A significant costing exercise was undertaken to ensure value for money. It is proposed that these additional costs are funded from the earmarked reserve set aside for the potential pressure on this contract. This is a one-off resource funding. Longer term, the new contract in 2021 has an additional £400k revenue budget earmarked in the MTFP for potential growth but this allocation of resources will be reviewed when more information on the specification is received.

LEGAL POWERS AND IMPLICATIONS

This extension can be agreed under the original terms of the contract.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no additional climate change or environmental impacts of awarding this contract extension.

CONSULTATION

N/A

RISK MANAGEMENT

The risk of this extension is low, with the level of service and specification as per the original contract. The governance of the contract will continue to be robust to ensure any issues are raised quickly.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No

CORPORATE IMPLICATIONS

N/A

BACKGROUND PAPERS

SIGNATORIES:

DECISION MAKER(S):

Signed: Director of Development and Environment.

Date:.....

Signed:Director of Finance and Procurement

Date: