

REPORT TO: DUNDEE CONTRACT SERVICES COMMITTEE – 19 APRIL 2004

REPORT ON: GROUND MAINTENANCE - REVIEW OF SERVICE

REPORT BY: DIRECTOR OF DUNDEE CONTRACT SERVICES

REPORT NO: 307-2004

1 PURPOSE OF REPORT

- 1.1 To outline the existing arrangements for the delivery of the ground maintenance service to Council Departments and proposals to review the service with the ending of the Compulsory Competitive Tendering legislation.

2 RECOMMENDATIONS

- 2.1 The current City of Dundee District Council's Schedule of Rates (SORs) Contract for ground maintenance and other works which comprises 822 priced rates be terminated and replaced with a new Dundee City Council Schedule of 268 priced rates for horticulture, arboriculture and other related activities.
- 2.2 The current Tayside Regional Council's Ground Maintenance Contract be terminated and all future ground maintenance works be carried out under the new Dundee City Council's Schedule of Rates.
- 2.3 The new Schedule of Rates be reviewed on 1 April each year to include an annual inflation allowance calculated using 60% of the Scottish Joint Council for Local Government Employees percentage pay award for council workers plus 40% of the Retail Price Index (all items) increase as compiled by the Office for National Statistics.
- 2.4 Waste management expenditure be recovered on a cost plus basis against certain one off jobs and cyclical maintenance work which generate large amounts of waste for disposal.
- 2.5 The aforementioned new arrangements to be implemented at the start of financial year 2005/06 and form the basis of a proposed Service Level Agreement with all Council Departments.

3 FINANCIAL IMPLICATIONS

- 3.1 The ground maintenance service will continue to be provided within existing departmental budgets.

4 LOCAL AGENDA 21 IMPLICATIONS

This review addresses a number of key themes under the Local Agenda 21:

- 4.1 The proposals will ensure resources are used efficiently and waste is minimised. 95% of vegetative material created by the Department is recycled in its horticultural maintenance activities or sold e.g. mulching, soil enhancement, composting, sale of timber etc.
- 4.2 Maintenance regimes and landscape projects ensure beauty and diversity of plant species in the city's open space and housing landscapes.

4.3 Creation of safe, clean and pleasant landscape environments throughout the city provide places for people to exercise and opportunities to participate in leisure activities.

4.4 Allows the opportunity for local communities to participate in the development and maintenance of landscape areas.

5 **EQUAL OPPORTUNITIES IMPLICATIONS**

5.1 The proposals allow local communities to be involved in landscape schemes, community safety and maintenance regimes.

6 **MAIN TEXT**

6.1 The City Council's ground maintenance service was last reviewed in a Best Value Report which was approved by the Best Value Sub-Committee in June 2001 when the former Parks service was split between the Leisure and Arts Department and Dundee Contract Services. This Best Value Review included a recommendation to a full review of the current SORs for ground maintenance and its replacement with more effective service agreements. Consultation, performance reviews and benchmarking which were undertaken at the time of the Best Value Review also confirmed that the Parks Section provides its clients with a high quality and efficient ground maintenance service with a clear operational management structure and high customer satisfaction levels. The review outlines proposals for the ground maintenance service as undertaken by the Parks Section of Dundee Contract Services which is primarily involved with the maintenance of housing landscape areas, open spaces, the garden maintenance service to the elderly and disabled, children's playgrounds and a ground maintenance and landscape service to other departments of the Council as well as outside organisations.

7 **BACKGROUND**

7.1 **City of Dundee District Council**

The current tender for ground maintenance has been in existence since 1 January 1990 when the then Parks Department was successful in winning the contract in competition with several private landscape contractors. The original tender listed approximately 800 priced SORs covering a wide range of horticultural and arboriculture activities. Subsequent amendments and variations to the schedule have increased the total number of rates to 822. As a result of the moratorium on competitive tendering which commenced on 31 March 1995 the existing SORs have been continued in situ with annual price increases according to the appropriate indices introduced on 1 January each year.

7.2 **Tayside Regional Council**

In 1993 Dundee District Council Parks Department was awarded the ground maintenance contract for the Dundee area of the then Tayside Regional Council covering mainly Education and Social Work properties. This contract has also continued in its current format from then to the present day and is based on a Bill of Quantities and Schedule of Rates with annual price increases according to the appropriate indices on 1 January each year.

7.3 **Dundee City Council**

Since the last reorganisation of Local Government in 1996, ground maintenance in Dundee has been administered and delivered by the Parks Section of the City Council under the two existing separate contract arrangements with differing rates and price increases. It is now appropriate to review the current arrangement and simplify the administration of the ground maintenance service to Council Departments, whilst still retaining the need for Statutory Trading Accounts compliant with the requirements of the Local Government in Scotland Act 2003.

7.4 **Annual Price Indices**

The continued Dundee District Council contract annual price increases at 1 January each year, are based on the Index of Retail Prices published by the Department of Trade and Industry in the Monthly Business Monitor.

The continued Tayside Regional Council contract annual price increases at 1 January each year are based on the Scottish Joint Council for Local Government Employees pay settlement for manual workers and the retail price index as published by the Department of Employment in the Employment Gazette with 60% of the former and 40% of the latter added together to ascertain the appropriate adjustment.

It is considered the annual fluctuation clause applied to the former Tayside Regional Council Contract is the most appropriate for the new Dundee City Council arrangement and proposed Service Level Agreement.

8 **REVIEW OF THE GROUND MAINTENANCE CONTRACTS**

As described above, the ground maintenance service is currently provided through two separate tender contracts. This leads to inefficiencies as there is a requirement to operate two separate ordering and billing systems to deliver the same service to the same clients.

It is proposed that in future one new Schedule of Rates will be operated by Dundee City Council following the implementation of the undernoted changes:

- 8.1 The current main SORs Contract comprising 822 priced rates applicable to ground maintenance and other works transferred from the former City of Dundee District Council be terminated and replaced with a new Dundee City Council Schedule of 268 priced rates for horticulture, arboriculture and other related activities.
- 8.2 The current Bill of Quantities/SORs Contract comprising 597 priced rates applicable to ground maintenance and other works transferred from the former Tayside Regional Council be terminated and replaced with a new Dundee City Council Schedule as described in paragraph 8.1 above.
- 8.3 Ground maintenance cycles and programmes of work are being re-written so that in future all work for Council Departments will be carried out on the same basis and cost.

9 **WASTE MANAGEMENT**

- 9.1 In 1989 and 1993 when the original two contracts were awarded there was no allowance for the disposal of waste. These costs have until now either been passed on to the Department's clients or absorbed into the Department's overheads.

9.2 Over 95% of the Department's green waste is now recycled or sold with the remaining 5% being sent to Baldovie for recycling/disposal by the Waste Management Department.

9.3 Waste management costs will continue to rise for the foreseeable future. The Department will continue to recycle vegetation material and use it where possible in its horticultural and arboricultural activities.

10 **CONSULTATION**

10.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) have been consulted in the preparation of this report.

11 **BACKGROUND PAPERS**

11.1 Best Value Review of Ground Maintenance Report No 425-2001.

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