

**MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 13 June 2013 at 2.00 pm**

**Present:** Councillor AW Johnson (Chairman)

**Councillors:** H Bramer, RB Hamilton, JW Millar, PM Morgan, RJ Phillips, GJ Powell and PD Price

**In attendance:** Councillors J Hardwick and RI Matthews

**1. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 16 May 2013 be approved as a correct record and signed by the Chairman, subject to the addition of the following comment.

**In referring to Minute No: 96 – Section 75 Partnership Agreement, bullet point two, the Cabinet Member Health and Wellbeing requested that it be noted regarding the comment that the partnership between Herefordshire Council and the PCT had cost the Council a considerable sum of money, that there was no evidence to support the comment.**

**4. STREETSCENE - MAJOR CONTRACTS**

The Cabinet Member, Major Contracts presented the report of the Commissioning Programme Delivery Manager, Streetscene – Major Procurements and made the following comments:

- The procurement process started July 2012 to replace the current service delivery arrangements carried out under Streetscene.
- The decision today by Cabinet to name the preferred bidder for the public realm contract is a key milestone in the procurement process.
- The views of stakeholders and Members had been sought in setting out the procurement objectives.
- The approach had been overseen by the General Overview and Scrutiny Committee and the objectives of the procurement reflected the comments of the Committee.
- The procurement had been split into four separate elements covering public realm, building maintenance, building cleaning and ancillary services. Only the first three were large enough for major procurements.
- Confident that savings would be made, with the potential for further efficiency savings during the life of the contracts.
- The report seeks delegated authority to complete the procurement process for building maintenance and building cleaning services.

- Cabinet is today considering public realm services which represents annual expenditure of approximately £20m and is a major ten year contract with the potential for an extension for a further ten years. Cabinet therefore, needed to be sure of the robustness of the procurement process and that their objectives could be achieved.
- The report sets out the approach taken and how Cabinet's objectives were reflected in the proposals.
- The Cabinet Member confirmed the scores of the bidders as set out at Appendix A to the report.

The Assistant Director, Place Based Commissioning and his team made the following comments in response to questions to the meeting:

- Thanks were expressed to all bidders involved in the process.
- In referring to the scope of the procurement, the objectives were set based on the feedback from Members.
- The procurement timetable is set out at figure 3 to the report and paragraphs 10.16 to 10.21 set out the other elements to the contract.
- This is an important contract for the Council and has drawn on outside expertise to assist Council officers.
- A risk management approach has been taken to the project to provide assurance and value for money for the life of the contract.
- The contract award for Public Realm is expected to be at the beginning of July 2013.
- Cabinet sought and received the assurance of the Monitoring and the Section 151 Officers that they were content with the process, as the contract allows for the devolvement of services to local budgets.
- It was noted that improvement in customer services was one of the objectives. Each of the bidders provided excellent responses on this objective stating how the use of technology would improve response times.
- In response to a question on expenditure on the contract in supporting the local economy and jobs. It was confirmed that there had been a strong response from all of the bidders in supporting the local supply chain, bringing business into Herefordshire and giving local contractors the opportunity to bid for contracts.
- In response to a question on what tangible difference a local resident would see it was stated that there would be an improved customer interface with the information available on the website. Street lighting would be invested in to deliver sustainable LED lights and significant savings would be made on energy and cost.
- Reassurance was sought regarding carbon emissions. Cabinet was informed that there had been a very strong commitment by all bidders who all committed to meet the Council's aspirations and targets.
- In response to a question on the management of the contract Cabinet was advised that service orders were being initiated for the year to provide flexibility. Additionally the contract management team would be monitoring what had been achieved and if this was meeting the Council's strategic objectives.
- In responding to a question on the state of the roads and whether there would be a significant investment in the roads by the successful bidder, cabinet was advised this was a key element in the quality area of scoring. A further report would be provided to cabinet in July with a further analysis of the amount that needs to be spent on the roads in order to provide a sustainable change in the quality of the roads and identifying the potential sources of funding.
- In response to a question on local working and performance management, Cabinet was advised that officers were confident that savings would be made throughout the life of the contract. Mechanisms would be put in place that would allow the Council to manage the budget and monitor performance.

- On the extension of the contract Cabinet was advised this could be awarded at the discretion of the Council and could be withdrawn for non performance.
- Currently communities can self deliver on schemes such as the lengthman's scheme, which would continue under the new contract. The contract allows the council to change the scope of services so that it does not continue to pay for services that are delivered by Parishes.
- In responding to a question on the decision process and Members being informed, Cabinet advised that all Members had been invited to briefings and parish councils and locality groups had also held briefings on the changes.
- In response to queries relating to the contract the Leader assured Members that everything was in place and that the General Overview and Scrutiny Committee would be expected to raise any issues as identified.

At this point Councillor RJ Phillips, Cabinet Member Enterprise and Culture left the meeting.

Cabinet was reminded that the approved bidder for Public Realm would be announced today and the contract was expected to be signed at the beginning of July 2013 with the remaining contracts to be in place by 1 September. Cabinet approved the recommendations of the report.

The Cabinet Member Major Contracts announced that the second reserve bidder was Costain Ltd. The reserve bidder was Amey LG Ltd., and the preferred bidder was Balfour Beatty Living Places.

## **RESOLVED**

### **THAT:**

- a) Cabinet authorised the Director for Places and Communities (the Director) to enter into the contract for Public Realm Services with Balfour Beatty Living Places, subject to the Director receiving from the preferred bidder satisfactory confirmation of tender commitments;**
- b) In the event the Director (in their opinion) had not received satisfactory confirmation of tender commitments from the preferred bidder, Cabinet authorised the Director to enter into the contract for Public Realm Services with Amey LG Ltd., subject to the Director receiving from the reserve bidder satisfactory confirmation of tender commitments;**
- c) In the event the Director (in their opinion) had not received satisfactory confirmation of tender commitments from either the preferred bidder or the reserve bidder, Cabinet authorised the Director to enter into the contract for Public Realm Services with Costain Ltd., subject to the Director receiving from the second reserve bidder satisfactory confirmation of tender commitments;**
- d) Cabinet authorised the Director (in consultation with the Chief Officer Finance and Commercial, and the Cabinet Member for Major Contracts) to conclude the procurement of Building Services, Building Cleaning and Ancillary Services; and award contracts to the successful tenderers; and**
- e) Cabinet thanked all bidders for the courteous, prompt and productive way in which they had all participated in the procurements.**