

PEST CONTROL SERVICE – RESULTS OF COMPETITION EXERCISE

Local Planning and Environment Advisory Committee – 1 July 2014

Report of Chief Officer Environmental and Operational Services

Status: For recommendation to Cabinet

Also considered by: Cabinet – 17 July 2014

Key Decision: No

Executive Summary: Following the decision of Cabinet on 5 December 2013 the Pest Control Service has been exposed to competition with quotations invited to be submitted by 4 June 2014. This report details the outcome of the competitive process and recommends a way forward for future service delivery.

This report supports the Key Aim of Safe and Caring Communities, Greener and Healthy Environment and Effective Management of Council Resources.

Portfolio Holder Cllr. Robert Piper

Contact Officer(s) Ian Finch – Head of Direct Services Tel: 01959 567351

Recommendation to Advisory Committee:

It be resolved that it be recommended to Cabinet, that following the evaluation of the competition exercise for the Pest Control Service, the service continue to be delivered by Sevenoaks Direct Services.

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It be resolved that following the evaluation of the competition exercise for the Pest Control Service, the service continue to be delivered by Sevenoaks Direct Services.

Reason for recommendation: Following the evaluation of the competition exercise, the offer made by Sevenoaks Direct Services provides the most economically advantageous tender.

Introduction and Background

- 1 At the Cabinet meeting on 5 December 2013, following a recommendation from the Local Planning and Environment Advisory Committee at its meeting on 19 November 2013, it was resolved that the Pest Control Services be exposed to competitive tender, for a three year contract and that the results of the tender be reported to the Planning and Environment Advisory Committee for consideration.

- 2 Quotations for the provision of Pest Control Services were invited from companies or persons experienced in the provision of Pest Control Services for return by 4 June 2014. The quotations were opened by the Portfolio Holder on 4 June 2014. A quotation was submitted by the in-house Pest Control team (Direct Services).

Evaluation of Quotations

- 3 In evaluating the quotations received the following were considered, in descending order of priority:
- i) Price
 - ii) Compliance with specification
 - iii) Technical merit and quality factors
 - iv) All information supplied by the provider in support of their application including method statement and questionnaire.
 - v) Acceptance of contract conditions
 - vi) Completeness of response
 - (a) Assessed completeness of response
 - (b) Assessed capability of the provider to support all elements of the contract.

Weighting

- (i) Value for money – 60%
 - (ii) Completeness of response, technical merit, assessed capability, concessionary rates, questionnaire responses and any other relevant information – 40%.
- 4 The invitation for quotations was advertised externally on the South East Business Portal.
- 5 A full copy of the tender documentation, including service specification is provided as an appendix. The quotation is based on the provider setting and retaining all charges for pest control treatments.
- 6 The quotation could be a charge, or payment, to the Council for providing the service.

Quotation Evaluation Results

- 7 Three quotations were received from:
- MITIE Pest Control
 - Noah's Ark Environmental Services
 - Sevenoaks Direct Services
- 8 The summary of the results are provided as an appendix. The max score available was 305 points with 183 (60%) on price and 122 (40%) on other factors, compliance, technical merit etc.

9 The results were as follows:

| | | |
|----------|-----------------------------------|------------------|
| First - | Sevenoaks District Services | 228 points (75%) |
| Second - | MITIE Pest Control | 226 points (74%) |
| Third - | Noah's Ark Environmental Services | 203 points (67%) |

10 It should be noted that the quotation submitted by Sevenoaks Direct Services was for a charge of £7,000 per annum whereas the quotation for MITIE Pest Control offered a small payment to the Council for each treatment provided. For example £9 for all wasp treatments or £24 for all rat treatments. However, this had to be evaluated alongside the charges quoted by the provider to the customer. For example, MITIE's charge for a rat or mice treatment is 31% higher than Direct Services' charge and 20% higher for a bedbug treatment.

11 Accepting this quotation would increase the charges for several pest control treatments (particularly rats and mice) to residents of the District.

12 If it was agreed to move to an external contract arrangement for delivery of the Pest Control Service, particularly where payments will be due to the Council, officers will be obliged to oversee the contractors performance in delivery of the service and ensure receipt of all due payments in accordance with Contract and Finance procedure rules. It would be necessary to validate payment/treatment data supplied by the contractor and to retain accurate records to support an audit trail.

13 The in-house service provision carries low support overheads. Apart from direct employee, treatment supply costs and transport operating costs there is an annual charge for the depot and fixed transport charges as well as an administrative support charge equivalent to 1.5 hours/month. No other officer time is recovered from the pest control service account. Therefore there is no budget provision for the enhanced level of officer time necessitated by appointment of an external service provider.

14 Annual savings realised less income lost through cessation of in-house service:

Budgeted 2014/15 operating expenditure saved = £75,805 /annum

Budgeted 2014/15 pest control income to Direct Services = £67,686 /annum

£8,119 /annum

15 Costs currently recovered through in-house service provision that will remain:

Depot Recharge = £2,500.00 /annum

Unrecovered Fixed Transport charges = £4,361.12 /annum

Administrative support as 1% proportion of officer salary = £270.00 /annum

£7,131.12 /annum

16 Additional contract support costs:

| | | | | |
|---------------------------|--------------|---|-----------|--------|
| Administrative support = | 2 days/month | £2,700 | /annum | |
| Finance & Admin Manager = | 1 hr/week | £1,405 | /annum | |
| Head of Service = | 1 hr/month | £440 | /annum | |
| | | <table border="1"><tr><td>£4,545.00</td></tr></table> | £4,545.00 | /annum |
| £4,545.00 | | | | |

Estimated additional contract support costs =

| |
|--------|
| £3,557 |
|--------|

17 Contract Income:

Estimated income from external provider =

| |
|-----------|
| £9,981.00 |
|-----------|

 /annum

Est. income less estimated additional contract support costs =

| |
|--------|
| £6,424 |
|--------|

 /annum

18 Therefore it can be seen that if the contract was awarded to an external provider, costs would remain to the Council of £3,557.

19 Receiving an income of £9,981 (estimated) per annum would be offset by a saving of only £6,424 to the Council.

Key Implications

Financial

In addition to the financial implications mentioned above relating to awarding the contract to an external provider, if Sevenoaks Direct Services cease providing the service redundancy costs amounting to £28,269 would be applicable if the two existing pest control officers were paid redundancy payments.

Although the Pest Control Services trading account realised a deficit of £17,010 in 2013/14 this was easily absorbed in the overall Direct Services trading accounts which realised a surplus of £229,768 in 2013/14.

In the current year (2014/15) – April to May 2014, the surplus realised on the trading accounts is £71,166.

Legal Implications and Risk Assessment Statement.

There is no statutory duty to provide a Pest Control Service, although the Council does have duties under the Prevention of Damage by Pests Act 1949, to take such steps as are necessary to secure, as far as practicable, that the District is kept free from rats and mice.

Ceasing the existing in-house service would result in higher charges being made for certain Pest Control treatments, particularly rats and mice, to the residents of the Sevenoaks District.

Equality Impacts

| Consideration of impacts under the Public Sector Equality Duty: | | |
|---|--------|--|
| Question | Answer | Explanation / Evidence |
| a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community? | Yes | Ceasing delivery of the service may have a detrimental effect on residents receiving means tested benefits as discounts may not be available leading to pest infestations remaining untreated for families on low incomes. |
| b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity? | No | |
| c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above? | | The competition process allowed providers to offer discounts on treatment prices for residents on means tested benefits. |

Conclusions

The quotation offered by Sevenoaks Direct Services is the most economically advantageous tender of the three quotations received.

There is no statutory duty to provide a Pest Control Service.

Moving to an external provider would result in increased charges for certain pests for the residents of the District.

Awarding a contract where payments will be due to the Council would require resources to be allocated to oversee the contractors performance in delivery of the service and ensure receipt of all due payments.

Appendices

Appendix A – Tender Documentation

Appendix B – Quotation Score Summary

Background Papers:

Full Quotation Evaluation

[Report to Local Planning and Environment Advisory Committee – 19 November 2013](#)

Richard Wilson
Chief Officer Environmental and Operational Services

