

DECISION TAKER: Cabinet Member for the Climate and Nature Emergency (Grounds Maintenance Services), Councillor Kelsie Learney (Cabinet Member for Recycling and Public Protection (Street Cleansing Services), Councillor Steve Cramoysan)

REPORT TITLE: PROCUREMENT OF GROUNDS MAINTENANCE AND STREET CLEANSING CONTRACTS - AMENDMENT TO CABINET DECISION CAB3528

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WARD(S): ALL

PURPOSE

1. The purpose of this report is to update and refine the approach previously approved by Cabinet in relation to the procurement of services to deliver Grounds Maintenance and Street Cleansing.
2. Cabinet has already agreed that the Council should go to market for these services. Since that decision, officers have undertaken pre-market engagement and progressed detailed commercial and service design work, including engagement with a specialist procurement consultant. As a result of this work, officers now propose to proceed to market for two separate contracts:
 - (i) one for Grounds Maintenance, and
 - (ii) one for Street Cleansing.
3. This report therefore seeks approval for a refined procurement structure, rather than a change in strategic direction.

RECOMMENDATIONS:

1. Agrees that the procurement should proceed through two separate contracts for:
 - (i) Grounds Maintenance; and
 - (ii) Street Cleansing.

2. That authority be delegated to the Strategic Director with responsibility for grounds maintenance and street cleansing, in consultation with the appropriate Cabinet Member and the Section 151 Officer, to conduct a competitive and compliant procurement and award two contracts within the existing overall budget, with flexibility to adjust the contract terms within a range of 3 to 16 years total duration as informed by pre-market engagement and value for money assessment.

1 BACKGROUND AND CONTEXT

- 1.1 The original Cabinet report set out the rationale for re-procuring the Grounds Maintenance and Street Cleansing services to ensure service continuity, value for money and alignment with the Council Plan.
- 1.2 Following Cabinet approval to go to market, officers have:
- undertaken structured pre-market engagement with potential suppliers;
 - tested delivery models and risk appetite within the market; and
 - taken advice from a specialist procurement consultant to support the development of a robust, competitive procurement strategy.
- 1.3 This work has enabled the Council to advance its thinking on the most effective contract structure to achieve strong market interest, high-quality delivery and best value over the life of the contracts.

2 IMPLICATIONS:

COUNCIL PLAN OUTCOME

2.1 Greener Faster

The contract will support biodiversity-friendly grounds maintenance regimes, minimisation of pesticide/herbicide use, and promote the decarbonisation of fleet operations.

2.2 Thriving Places

The contracted service will contribute to cleaner streets and well-maintained green spaces, enhancing the vibrancy of communities and supporting the visitor economy.

2.3 Healthy Communities

The contracted service will ensure safe and accessible parks and play areas, improving the public realm and supporting community wellbeing.

2.4 Good Homes for All

The maintenance of communal green spaces on housing land will be included within the service specification, supporting the quality of life for tenants.

2.5 Efficient and Effective

The procurement will adopt a detailed service specification with robust KPIs and digital performance monitoring to ensure value for money.

2.6 Listening and Learning

Resident feedback will be integrated into service design and contract performance indicators to ensure responsiveness and continuous improvement

FINANCIAL IMPLICATIONS

2.7 Value for Money and Risk Considerations

2.8 Market feedback indicates that a single integrated contract can result in:

- bidders pricing defensively to cover delivery outside their core expertise; or
- contractors bidding with the expectation of subcontracting elements of the service, with associated cost uplift and reduced transparency.

2.9 By procuring two contracts aligned to service specialisms, the Council can:

- secure more competitive pricing;
- maintain clearer accountability for service performance; and
- tailor specifications, KPI's and environmental outcomes to the distinct nature of each service.

2.10 While managing two contracts will require proportionate contract management arrangements, this is considered manageable and outweighed by the benefits in market engagement, cost control and service focus.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 As a result of further work, officers recommend that the Council proceeds to market for two distinct contracts rather than a single combined contract.

3.2 This refinement reflects the natural structure of the market, where:

- many suppliers specialise in either grounds maintenance *or* street cleansing, but not both; and
- a combined contract can unintentionally limit competition or lead to delivery models reliant on subcontracting.

3.3 Separating the contracts is expected to:

- increase the number and diversity of bidders, including specialist providers and SME's;

- improve value for money by avoiding risk premiums associated with large, multi-service contracts; and
- reduce the likelihood of bidders pricing in the cost and risk of subcontracting elements of the service post-award.

3.4 This approach is consistent with Cabinet's original intent to secure competitive, high-quality and resilient services, and represents a pragmatic evolution based on market evidence.

4 CONSULTATION AND COMMUNICATION

4.1 Consultation has been undertaken with the Cabinet Member. Ward members, parish councils and other stakeholders (e.g. Hampshire County Council and other neighbouring authorities, Winchester Business Improvement District, Parish Councils, Winchester Town Forum) will be engaged during specification development.

5 ENVIRONMENTAL CONSIDERATIONS

5.1 The tender will incorporate environmental objectives, such as minimisation of herbicide use, biodiversity enhancements, and options for fleet decarbonisation. These measures align with the Council's commitments to carbon neutrality and nature recovery.

6 PUBLIC SECTOR EQUALITY DUTY

6.1 An Equalities Impact Assessment will be completed as part of the procurement process to ensure that the service is inclusive, accessible, and promotes equality of opportunity. Contractors will be required to operate in accordance with all relevant equalities legislation and demonstrate how they will support inclusive employment practices and service delivery.

7 RISK MANAGEMENT

7.1 The procurement process includes mitigation measures for financial exposure, legal compliance, innovation, reputation, and achievement of outcomes. Risks will be managed through robust contract management and performance monitoring with full details included in the procurement and contract documents.

8 Local Government Reorganisation

8.1 The council is mindful of current proposals for Local Government Reorganisation, which may result in Winchester City Council becoming part of a larger unitary authority, and the Community Governance Review of the Winchester Town area. This context has informed the proposed contract strategy, which seeks to balance the need for continuity and value for money with the flexibility to respond to future structural changes in local government.

9 SUPPORTING INFORMATION

- a. The current Grounds Maintenance and Street Cleansing services are delivered under a contract originally procured by East Hampshire District Council. On 11 July 2012, East Hampshire entered into an Environmental Services Contract with ID Verde Limited, acting on behalf of both itself and Winchester City Council. The contract was initially due to expire on 30 September 2019.
- b. Prior to that expiry, East Hampshire District Council novated the contract to Winchester City Council, which then became the sole contracting authority. Winchester subsequently exercised its available extension options, extending the contract to its final permissible contractual expiry date of 3 October 2027.
- c. As a result, the council must now undertake a full re-procurement to ensure continuity of service beyond the current contract term. This provides an opportunity to modernise the specification, improve environmental performance, and embed social value in line with the Council Plan 2025–2030 and relevant legislation.
- d. Following Cabinet approval (Cab 3528) to go to market, officers have:
 - undertaken structured pre-market engagement with potential suppliers;
 - tested delivery models and risk appetite within the market; and
 - taken advice from a specialist procurement consultant to support the development of a robust, competitive procurement strategy.
- e. This work has enabled the Council to advance its thinking on the most effective contract structure to achieve strong market interest, high-quality delivery and best value over the life of the contracts.
- f. As a result of this work, officers now propose to proceed to market for two separate contracts:
 - (i) one for Grounds Maintenance, and
 - (ii) one for Street Cleansing.
- g. This report therefore seeks approval for a refined procurement structure, rather than a change in strategic direction.
- h. This approach is considered the most effective way to deliver operational efficiency, clear lines of accountability, and consistent service standards across Winchester's communities. It also enables the council to tailor the specification to local needs and priorities, while embedding environmental and social value outcomes through the procurement process. There is no change to the procurement timeline set out in the original cabinet paper.

- i. A competitive procurement procedure will be undertaken including meaningful engagement with the market, including dialogue and refinement of solutions, while maintaining fairness and transparency. The evaluation models will be based on Most Advantageous Tender, with a balanced weighting between price and quality. In accordance with the Council's Contract Procedure Rules, a minimum of 10% of the quality scores will be allocated to environmental and social value.
- 10 The new contracts will aim to ensure flexibility to respond to future structural changes in local government, and the proposed contract terms of an initial term of 8 years with an extension option of up to a further 8 years, will be subject to adjustment within a range of 3 to 16 years total duration informed by pre-market engagement and value for money assessment.
- 11 OTHER OPTIONS CONSIDERED AND REJECTED
- a. The original Cabinet report set out the rationale for re-procuring the Grounds Maintenance and Street Cleansing services to ensure service continuity, value for money and alignment with the Council Plan.
 - b. Following Cabinet approval to go to market, officers have:
 - undertaken structured pre-market engagement with potential suppliers;
 - tested delivery models and risk appetite within the market; and
 - taken advice from a specialist procurement consultant to support the development of a robust, competitive procurement strategy.
 - c. This work has enabled the Council to advance its thinking on the most effective contract structure to achieve strong market interest, high-quality delivery and best value over the life of the contracts.

BACKGROUND DOCUMENTS:-

Previous Cabinet/Committee Reports or Cabinet Member Decisions:-

Cabinet report 3528. The exempt appendix is not included in this report as it does not relate to the move from procuring 1 to 2 contracts.

Other Background Documents:-

None

Appendices: None