

16.3 INFRASTRUCTURE & OPERATIONS**ITEM 16.3.1 DELEGATED AUTHORITY TO SIGN CONTRACT FOR T-1845-17/18-PCO PREFERRED SUPPLIER/S FOR PARKS MOWING ZONES 1-5 OVER \$2,000,000.00**

Objective Reference:	A2657947 Reports and Attachments (Archives)
Authorising Officer:	Peter Best General Manager Infrastructure & Operations
Responsible Officer:	Lex Smith Group Manager City Spaces
Report Author:	Neal Hewson Acting Senior Turf Services Officer

PURPOSE

The purpose of this report is to request that Council resolve to delegate authority to the Chief Executive Officer (CEO) to make, vary and discharge a contract for parks mowing zones 1-5 (T-1845-17/18-PCO) with an estimated value of more than \$2,000,000.00 with the preferred tender/s, in accordance with the agreed terms and conditions.

BACKGROUND

The current contract for parks mowing services has been in place for two years and is due to expire on 20 March 2018, therefore the commencement date of the new contract will be 21 March 2018. The term of the contract is two years with options to extend for a further three 1-year periods not exceeding a maximum term of five years.

The Parks & Conservation Services Unit, in conjunction with the Procurement Services Unit, is undertaking a procurement process to establish a contract for grass cutting services to drainage reserves, parklands, walkways and grass verges within Redland City mainland boundaries.

The contract consists of five separable portions covering mainland zones 1-5 (refer map). The sites vary in size and location with the tasks to be undertaken including but not limited to:

- pick up and remove all litter, debris and rubbish from grassed areas prior to the commencement of grass cutting;
- collect and sort all recyclable litter, debris and rubbish and recycle at an appropriate Council Waste Handling Facility;
- mow all grassed areas in an even manner and to a maximum height of 40mm or other height with the written approval of the Turf Services Operations and Contracts Officer;
- mow all grass borders with edges to be trimmed flush with any given border;

- trim all grass from around any non-living structure;
- green waste to be swept or blown from all paved surfaces and evenly distributed back over the grassed area.



ISSUES

Approving delegation to the CEO will assist in the awarding of the contract by the required date and reduces the need to seek alternative methods in the event that the current contract expires prior to the award of a new agreement.

STRATEGIC IMPLICATIONS

Legislative Requirements

Tender documentation has been developed in accordance with section 104 Financial Management Systems, subsection (3) Sound Contracting Principles of the *Local Government Act 2009* with the objective of obtaining submissions from suitable entities who can demonstrate the ability to provide value for money and adequate capacity and capability to provide the required services.

The tender process has been conducted in accordance with the legislative requirements of the *Local Government Act 2009*, *Local Government Regulation 2012* and with adherence to all Council policies, guidelines and procedures relating to the procurement process and probity principles.

Delegated authority and obligations of Council under s.257(1)(b) of the *Local Government Act 2009* legislative requirements are that Council may, by resolution,

delegate authority to the CEO to award the tender and make, vary and discharge contracts over \$2,000,000.

The total cost of this contractual arrangement for the 5-year term is expected to be approximately \$2,842,625.37 (excluding GST), which exceeds the CEO's financial delegation.

Risk Management

Approving this delegation mitigates the risk of the current contract expiring and rolling over to a month-by-month quote-based service which, in turn, would have a significant effect on the parks mowing cost.

As the Local Government Regulation requires Council to enter tender arrangements for procuring services over \$200,000,000 such month-by-month arrangement would be in breach of the Local Government Regulation.

Financial

Based on historical annual contract expenditure including increases in the consumer price index, the estimated contract value for the initial term of two years is approximately \$930,000.00 (excluding GST).

Should all options to extend be utilised for a period of three 1-year periods not exceeding a maximum term of five years, the estimated total amount including the original term of two years, will be **\$2,842,625.37** (excluding GST).

The commencement date of the new contract will be 21 March 2018. The term of the contract is two years with options to extend for three 1-year periods not exceeding a maximum term of five years.

The Parks & Conservation Unit has sufficient budget in the 2017/2018 financial year and future years will be budgeted accordingly.

People

The Council parkland environments (e.g. drainage reserves, parklands, walkways and grass verges) will be maintained to a standard and condition which is pleasing for the community.

Environmental

Appropriate maintenance of these areas assists in the management of weeds, pests and diseases.

Social

Not applicable.

Alignment with Council's Policy and Plans

This report and ensuing actions align with Council's corporate and operational policies and plans initiated in 2015 and extending to 2020. These include but are not limited to:

- Healthy Natural Environment
 - The maintenance, monitoring and management of natural assets, i.e. flora, fauna, ecosystems and biodiversity
- Wise Planning and Design

- Enhancement of character and liveability alongside the sustainably managed growth and development of Redland City through implementation of the Redland City Plan and Local Government Infrastructure Plan.

CONSULTATION

Consultation during the tender process will include the following officers:

- Group Manager City Spaces
- Service Manager Parks and Conservation
- Senior Turf Services Officer
- Turf Services Operations and Contracts Officer
- Procurement Officer
- Senior Procurement Officer
- Senior Advisor WH&S
- EMS Coordinator
- Parks and Conservation Administration Officer.

The following were also consulted in the preparation of this report:

- Finance Manager – Business Partnering
- Senior Solicitor, Legal Services Unit.

OPTIONS

Option 1

That Council resolve as follows:

1. To delegate authority to the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009* to make, vary and discharge contract T-1845-17/18-PCO, for parks mowing zones 1-5 for a period of two years with options to extend for a further three 1-year periods not exceeding a maximum term of five years; and
2. That this report remains confidential until the contract for T-1845-17/18-PCO is signed and awarded to the successful tenderer/s.

Option 2

That Council resolves not to delegate this authority to the CEO, and accept the risk that the current Landscape Maintenance Services is expiring.

OFFICER'S RECOMMENDATION

That Council resolve as follows:

1. To delegate authority to the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009* to make, vary and discharge contract T-1845-17/18-PCO, for parks mowing zones 1-5 for a period of two years with options to extend for a further three 1-year periods not exceeding a maximum term of five (5) years; and
2. That this report remains confidential until the contract for T-1845-17/18-PCO is signed and awarded to the successful tenderer/s.