
DELEGATED AUTHORITY - T-1840-17/18-PCO LANDSCAPE MAINTENANCE OVER \$2,000,000.00

Objective Reference: A2588321

Authorising Officer: Peter Best
General Manager Infrastructure & Operations

Responsible Officer: Lex Smith
Group Manager City Spaces

Report Author: Nelia Lagahit
Procurement Officer

PURPOSE

The purpose of this report is to seek Council resolution to delegate authority to the Chief Executive Officer (CEO), under section 257(1)(b) of the *Local Government Act 2009* to make, vary and discharge a contract over \$2,000,000.00 for landscape maintenance services (T-1840-17/18-PCO).

The commencement date for this contract is 3 December 2017. The term of the contract is two years with options to extend for three 1-year periods, not exceeding a maximum contract term of five years.

BACKGROUND

The current contract for landscape maintenance services has been in place for a 5-year period and is due to expire on 2 December 2017.

Redland City Council (Council) Parks and Conservation Unit, in conjunction with Procurement Services Unit, has undertaken a tender process to establish a contract for landscape maintenance services for Council controlled landscapes.

The contract scope consists of 102 mainland sites, which all receive nine maintenance visits per annum. The sites range in size and location and the tasks undertaken include but are not limited to:

- removing and disposing of all weeds and undesired species through physical or chemical means;
- removing and disposing of all vegetation and general debris, litter and rubbish;
- pruning vegetation clear of all paths, trails, roads, stairways, boardwalks, bridges or other thoroughfares;
- pruning vegetation to promote growth and flowering;
- hedging of currently hedged vegetation in roundabouts, centre medians and fence lines as per Australian Roads Standards;
- trimming turf and vegetation to garden defined edges;
- sweeping/blowing all sealed or paved areas;
- controlling vegetation pests and diseases where necessary;

- fertilising vegetation to correct nutrient deficiencies;
- reporting any vandalism, breakages or other hazards.

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 was 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 was 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, make, vary and discharge the contract over \$2,000,000.

The total cost of this contract for the 5-year term is estimated to be [REDACTED] 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 would increase Council contracted landscaping maintenance costs.

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 [REDACTED]

Should all options to extend the contract be executed to a maximum contract term of five years, the estimated total contract cost would be [REDACTED]

The Council Parks and Conservation Unit has sufficient FY1718 budget to cover the contract operational costs.

People

Council horticulture environments (e.g. roundabouts, median strips, roadside gardens, fence lines and parks) will be maintained to Council prescribed service levels consistent with community expectations.

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 year 2015 and extending to year 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 this tender evaluation process included the following officers:

- Group Manager City Spaces
- Service Manager Parks and Conservation
- Senior Trees & Landscapes Services Officer
- Senior Asset Maintenance Services Officer
- Procurement Officer
- Senior Procurement Officer
- Procurement Transformation Manager
- Service Manager Workplace Health Safety & Wellbeing.

All support the officer's recommendation.

This document has been reviewed and agreed to by Legal Services and the Business Partnering Unit of Redland City Council.

OPTIONS

Option 1

That Council resolves as follows:

1. To delegate the authority to the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009* to make, vary and discharge a contract over \$2,000,000.00 for landscape maintenance services (T-1840-17/18-PCO);
2. That the contract with the successful tenderer will be for a maximum term of five years;
3. That the estimated value of the tender is \$2,700,000.00 (GST exclusive); and

4. That this report remains confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged and commercial in confidence information.

Option 2

That Council resolves not to delegate this authority to the CEO, and accept the potential service delivery and costs risks associated with the expiry of the current contract on 2 December 2017.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. **To delegate the authority to the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009* to make, vary and discharge a contract over \$2,000,000.00 for landscape maintenance services (T-1840-17/18-PCO);**
2. **That the contract with the successful tenderer will be for a maximum term of five years;**
3. **That the estimated value of the tender is \$2,700,000.00 (GST exclusive); and**
4. **That this report remains confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged and commercial in confidence information.**