

**DELEGATED AUTHORITY - T-1837-17/18-PCO GRASS CUTTING SERVICES
SCHEDULES 1-7 OVER \$2,000,000.00**

Objective Reference: A2829341
Reports and Attachments (Archives)

Authorising Officer: Peter Best
General Manager Infrastructure & Operations

Responsible Officer: Lex Smith
Group Manager City Operations

Report Author: David Wilson
Procurement Officer General Counsel Group

PURPOSE

The purpose of this report is to seek Redland City Council (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 grass cutting services schedules 1-7 (T-1837-17/18-PCO).

The commencement date for this contract is 1 July 2018. 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 grass cutting services schedules 1-7 has been in place for a five year period and is due to expire on 30 June 2018.

Council's Parks & Conservation Unit, in conjunction with Procurement Services Unit, has undertaken a tender process to establish a contract for grass cutting services schedules 1-7 for the following:

- Separable Portion Schedule 1 – High Profile Main and Connecting Roads;
- Separable Portion Schedule 2 – Medium Profile Local Streets/Roads;
- Separable Portion Schedule 3 – Low Profile Main and Connecting Roads;
- Separable Portion Schedule 4 – Low Profile Local Streets/Roads;
- Separable Portion Schedule 5 – Coochiemudlo Is. Rd Reserves/Council Land;
- Separable Portion Schedule 6 – Private/Council Nature strips; and
- Separable Portion Schedule 7 – Department of Transport Main Roads (TMR)

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*'s 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 five 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 and potentially be in contravention of the *Local Government Regulation 2012* tendering requirements.

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 Parks & Conservation Unit has submitted an FY18/19 submission to cover the contract operational costs in FY18/19.

People

Council roadside environments (e.g. high profile main and connecting roads, medium profile local streets/roads, low profile main and connecting roads, low profile local streets/roads, Coochiemudlo Island road reserves/Council land, private/ Council nature strips, Department of Transport Main Roads (TMR)) 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 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 this tender evaluation process included the following officers:

- Group Manager City Operations;
- Senior Turf Services Officer;
- Turf Services Operations & Contracts Officer;
- Procurement Officer;
- Senior Procurement Officer;
- Service Manager Workplace Health Safety & Wellbeing;
- Environmental Management System Coordinator.

All support the officer's recommendation.

This document has been reviewed and agreed to by Council's Legal Services and Financial Services' Business Partnering Unit.

OPTIONS

Option One

That Council resolves 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 a contract over \$2,000,000.00 for grass cutting services schedules 1-7 (T-1837-17/18-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 \$4,855,040.00 (GST exclusive plus any CPI Indexation); 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 Two

That Council resolves not to delegate this authority to the CEO, and accept the potential service delivery and cost risks associated with the expiry of the current contract on 30 June 2018.

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 grass cutting services schedules 1-7 (T-1837-17/18-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 \$4,855,040.00 (GST exclusive plus any CPI Indexation); 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.