

7.4 Contract 2018/183, Elevating Work Platforms (2) - Lease, Supply and Delivery

Abstract

This report seeks Council endorsement for the award of Contract No. 2018/183, Elevating Work Platforms (2) - Lease, Supply and Delivery. This contract involves the replacement of two elevated work platform vehicles that have reached the end of their leasing arrangements.

The estimated annualised lease cost of this Contract, for two elevated work platform vehicles, is \$99,033 (excluding GST) which is in accordance with Council's current adopted budget. Expenditure in future years will be in accordance with approved budget allocations with the total seven year lease term expected to cost \$762,552 (including GST). The estimated cost to Council after the return of GST Input is \$693,229. Because of the value of the contract it was publicly advertised in accordance with the requirements of section 186 of the *Local Government Act 1989*.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 89(2) of the *Local Government Act 1989*, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2018/183, Elevating Work Platforms (2) - Lease, Supply and Delivery, to:
 - Australian Holden Group 1 Pty Ltd (ABN 95 116 779 198) trading as Prestige Hino for the supply and delivery of two elevated work platform vehicles, being the nominated dealership and authorised distributor of the trucks and in association with Aerial Access Australia Ltd (ABN 93 069 766 310) for the supply of the elevated working platforms; and
 - Toyota Finance Australia Limited (ABN 48 002 435 181) nominated by Prestige Hino for the associated leasing of the two elevated working platform vehicles.

The leasing contract is for a seven year fully maintained operating lease. The estimated contract cost for the seven year term is \$762,552 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$693,229.

2. To authorise the Director Environment and Infrastructure to execute the contract lease agreement with the above contractor.
3. To note that expenditure under this contract in 2019-2020 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Charles Turner
Acting Director Environment and Infrastructure

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2018/183, Elevating Work Platform Vehicles (2) - Lease, Supply and Delivery.

2. Policy implications and relevance to community plan and council plan

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2017 -27) and Council Plan (2017- 21):

Theme Two - "Your Parks and Green Spaces"

Strategy 2.7 - Manage, renew and preserve the green canopy in our open spaces and playgrounds for the enjoyment of future generations.

Theme Three - "The Environment"

Strategy 3.3 - Preserve the character of our natural environment through appropriate tree maintenance, increased tree planting and proactively replacing ageing trees.

This procurement process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy

3. Background

To enable the City of Boroondara's Parks and Infrastructure Tree Services Team to perform the duties of reactive and programmed tree maintenance services, Council requires two elevated work platform vehicles (the "EWP vehicles") at two different working heights. One is to be approximately 13.8m and one to be approximately 16.9m. The EWP vehicles are to be provided under a seven year fully maintained operating lease and are a direct replacement for similar EWP vehicles which have come to the end of their leasing arrangements.

Council therefore requires a suitably qualified organisation to provide these EWP vehicles in accordance with the requirements of the Council's Tree Services Team Infrastructure Services Department and the specification.

Invitation to tender

In accordance with Council's procurement procedures and Section 186 of the *Local Government Act 1989*, Council invited public tenders from suitably qualified organisations to provide offers for Contract No. 2018/183, Elevated Work Platform Vehicles - Lease, Supply and Delivery. An Invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 23 March 2019 and on Council's website. The closing date for submissions was 4pm, Friday 3 May 2019.

In response to the advertisement, Council received four submissions:

- Australian Holden Group 1 Pty Ltd trading as Prestige Hino;
- SG Fleet Australia Pty Limited;
- Adtrans Australia trading as Whitehorse Truck Centre; and
- Falbury Pty Ltd as trustee for KJ Wallace discretionary Trust trading as ETS Fleet Services.

4. Outline of key issues/options

It is envisaged that there are no issues regarding this procurement.

5. Consultation/communication

The operation and care of the EWP vehicles is the responsibility of the Parks and Infrastructure Department staff, including the drivers and operators that have been consulted throughout this tender process. The procurement process was facilitated by officers from Commercial and Property Services whose participation has ensured transparency and probity. No other internal consultation/communication has been considered necessary.

6. Financial and resource implications

Council's 2019/2020 adopted budget provides an allocation of \$107,05, for the lease of the two EWP vehicles, as follows (excluding GST):

Plant/Equipment Item	Amount (ex GST)
Estimated lease cost for existing vehicles and equipment	\$61,024
Estimated lease cost for the new 13.8m EWP vehicle (anticipated delivery March 2020 - 4 months @ \$4,231 per month)	\$16,924
Estimated lease cost for the new 16.9m EWP vehicle (anticipated delivery December 2019 - 7 months @ \$4,022 per month)	\$28,154
Total expenditure 2019/20	\$106,102

Note: all costs above are based on the tendered price and may alter at the time of contract award. Funding is also allocated to accommodate the existing lease agreements which will be returned over the course of the 2019-2020 financial year.

It is expected that the two new EWP vehicles will be delivered separately over a period of up to three months. Subject to the truck availability and elevated work platform build times, it is anticipated that the 16.9m EWP vehicle will be delivered to Council during December 2019, and the 13.8m EWP vehicle delivered during March 2020.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

8. Social and environmental issues

The leasing of the EWP vehicles, subject to this Contract award, will ensure a continuation of Council's high quality tree maintenance services.

The EWP vehicles selected have an engine that is compliant to Euro 5 emission standards which is more than the current EWP vehicles leased.

9. Evaluation and review

The tender evaluation report is provided as **Confidential Attachment 1**.

As a result of the tender evaluation, the evaluation panel recommends that Council award Contract No. 2018/183, Elevating Work Platform Vehicles - Lease, Supply and Delivery to:

- Australian Holden Group 1 Pty Ltd (ACN 95 116 779 198) trading as Prestige Hino for the supply and delivery of two EWP vehicles, being the nominated dealership and authorised distributor of the trucks and in association with Aerial Access Australia Limited (ABN 93 069 766 310) for the supply of the elevated working platforms; and
- Toyota Finance Australia Limited (ABN 48 002 435 181) nominated by Prestige Hino for the associated leasing of the two elevated work platform vehicles.

The recommended tenderer submitted the lowest confirming tender and their tendered vehicles met all key specification criteria issued by Council.

The leasing contract is for a seven year fully maintained operating lease. The estimated contract lease for the seven year term is \$762,552 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$693,229.

Manager: Andrew Mackinnon, Group Manager Parks & Infrastructure

Report officer: Maree Cillia, Senior Coordinator Business Support & Improvement, Parks and Infrastructure Department