

3.5 Contract 2020/187, Graffiti removal and Associated Services

Abstract

This report seeks Council endorsement for the award of Contract No. 2020/187, Graffiti Removal and Associated Services. This contract will provide Council with graffiti removal services and a graffiti community educational program for an initial term of three years and with a potential to extend for a further two year period, at Councils discretion, for a maximum contract term of five years. This contract is a direct replacement of Contract No. 2017/16 Graffiti Removal and Associated Services which has reached the end of its maximum contract term.

The estimated total Contract cost for a five year maximum contract term is \$2,042,095 (including GST) and excluding any price adjustment due to rise and fall which is in accordance with Council's current proposed budget. The estimated cost to Council after the return of GST Input Tax Credits is \$1,856,450. The estimated cost is based on labor rates, provision of community educational programs and a lump sum price for two full-time Graffiti Removalist's for the routine graffiti removal and materials. 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 66(2)(a) and the definition of 'confidential information' in Section 3(1) of the *Local Government Act 2020* as the information relates to private commercial information, being information provided by a business or commercial undertaking that if released, would unreasonably expose the business or commercial undertaking to disadvantage. 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 the Services Delegated Committee resolve:

1. To award Contract No. 2020/187, Graffiti Removal and Associated Services in two separate parts as follows:
 - 1.1. To Urban Maintenance Systems Pty Ltd (ACN 05 251 954), at their tendered Lump Sum Price for the provision of two full-time graffiti removalists including materials (excluding community education) for an initial contract term of three years, with a potential to extend for a further two years, at Council's discretion to a maximum contract term of five years. The estimated contract cost for the maximum five year term is \$1,813,845 (including GST) and excluding any price adjustment due to rise and fall. The cost to Council after the return of GST Tax Input Credits is \$1,648,950.

- 1.2. To Warner Youth Education Pty Ltd (ACN 164 165 824), at their tendered Schedule of Rates for the provision of the community education program for an initial contract term of three years, with a potential to extend for a further two years, at Council's discretion to a maximum contract term of five years. The estimated contract cost for the maximum five year term is \$228,250 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Tax Input Credits is \$207,500.
2. To authorise the Director Places and Spaces to execute the contract agreements with the above contractors.
3. To authorise the Director Places and Spaces to negotiate extensions to the contract with the above contractors to the maximum five year contract term.
4. To note that expenditure under this contract in 2020-2021 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations or parameters.

Responsible director: Daniel Freer
Director Places and Spaces

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2020/187, Graffiti Removal and Associated Services.

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 - *“Your Community, Services and Facilities”*

Strategy 1.6 - Create and maintain public areas, facilities, amenities, footpaths and spaces that are inviting, clean and appropriately lit to increase social connection and improve the perceptions of safety; and

Strategy 1.11 - Ensure Council’s assets are suitable for community use through proactive asset inspections, maintenance of asset data in the corporate asset system and development of Asset Management Plans.

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

Council’s current contract for Graffiti Removal and Associated Services expired in July 2020. The extension of this agreement has been monthly until sufficient time could be allocated for the implementation of a new contract. Presently the contract is managed by two Contractors, one for graffiti removal services and one for the provision and presenting of the community education programs component of the contract.

The services proposed in the tender are for suitably qualified and experienced Contractors that:

- responds rapidly and effectively to the removal of graffiti; and
- provides community education to assist in the deterrence of graffiti occurrences;

The contract structure for graffiti removal is a lump sum price to supply labour with material charged on as a cost-plus basis. Council has set the cost-plus mark-up for materials at 10%. The community education programs component is based on a schedule of rates.

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 undertake the Graffiti Removal and Associated Services.

An Invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 7 March 2020 and on Council's website. The closing date for submissions was 4pm, Friday 3 April 2020.

In response to the advertisement, Council received six submissions:

- AGA Newserv;
- Calcorp Services Pty Ltd;
- Summerhill Maintenance Systems Pty Ltd;
- The Graffiti Eaters Pty Ltd;
- Urban Maintenance Systems Pty Ltd; and
- Warner Youth Education Pty Ltd.

4. Outline of key issues/options

It is envisaged that there are no issues.

5. Consultation/communication

Internal consultation across the appropriate teams within Parks & Infrastructure and Youth Services informed the development of the specification and associated tender documents.

The Communications team will continue to be consulted to inform the community of the graffiti education program.

6. Financial and resource implications

Council's 2020-21 adopted budget for graffiti removal and education provides an allocation of:

Cost Centre	Budget 2020-21
Graffiti Removal (23200 - 53080)	\$434,090
Graffiti Education (23200 - 53078)	\$21,140
Total	\$455,230

It is estimated the expenditure (excluding GST) under the contract will comprise the following breakdown:

Items	Account Per Annum	Amount over 5 years
Labour	\$276,990	\$1,384,950
Materials	\$52,800	\$264,000
**Community Education Program	\$41,500	\$207,500
Total	\$371,290	\$1,856,450

**Note: The amount of graffiti education provided during the term of the contract will be in accordance with the need and budgetary allocations each year. For the financial period of 2020/21, the expectation will be a reduction in delivery of this program due to reduced students at schools across the municipality due to Covid-19. Financial period 2021/22 will see an increase in the delivery of this service, ensuring to align with community needs and council budget allocation.

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 presence of graffiti tarnishes the image of an area, causes neighbourhoods to deteriorate, encourage crime, devalues properties and undermines the sense of safe communities.

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. 2020/187, Graffiti Removal and Associated Services to the following two Companies:

- 9.1. Urban Maintenance Systems (ACN 005 251 954), at their tendered Lump Sum Price for the provision of two full-time graffiti removalists (excluding community education); and
- 9.2. Warner Youth Education Pty Ltd (ACN 164 165 824), at their tendered Schedule of Rates for the provision of the community education programs.

The estimated total contract cost for a five year maximum contract term is \$2,042,095 (including GST) and excluding any price adjustments due to rise and fall. The cost to Council after the return of the GST Tax Input Credits is \$1,856,450.

Manager: George Batsakis, Acting Manager Waste & Infrastructure

Report officer: Chad Henry, Acting Manager Environmental Sustainability & Open Spaces